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USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

No. 64



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20 May 1983

USSR REPORT
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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

'PRAVDA' EDITORIAL ON IMPROVING CONSUMER SERVICES

PM141731 Moscow PRAVDA in Russian 1 Apr 83 First Edition p 1

[Editorial: "Consumer Services Must Be of High Standard"]

[Text] The course of the Communist Party and Soviet state toward improving our people's prosperity is being consistently implemented. The social program covers all aspects of Soviet people's lives--consumption and housing, conditions of work and everyday life, culture and leisure. "Concern for Soviet people, for their working and everyday living conditions and spiritual development," Comrade Yu. V. Andropov, general secretary of the CPSU Central Committee, has noted, "remains the party's most important policy guideline."

Much is being done in our country to improve the population's consumer services. In recent years there has been a perceptible increase in the scale and a broadening in the sphere of the sector's operation and its prestige has risen. It now provides the population with over 600 different services. At the same time, the standard of service achieved does not fully meet Soviet people's increased demands and there are many substantial shortcomings in the work of repair shops, workshops and dry cleaning factories.

The question of further developing and improving the population's consumer services was comprehensively examined at a CPSU Central Committee Politburo session. A CPSU Central Committee and USSR Council of Ministers resolution "On Further Developing and Improving the Population's Consumer Services" has been published. A broad program of action has been outlined. Proceeding from the decisions of the 26th party congress and the CPSU Central Committee May and November (1982) Plenums, the resolution makes it incumbent on local party and Soviet organs and ministries and departments to pay greater attention to consumer services and to implement measures aimed at satisfying demand for consumer services more fully and improving the quality and standard of services.

The resolution notes that the main avenues in the development of consumer services should be the expansion of such services as the repair of radio and television sets and household equipment and appliances, housing, furniture and footwear, the laundering of linen and the dry cleaning of clothing, the

rental of consumer durables and the manufacture of high quality goods according to the population's orders. Measures are being taken to introduce new types of consumer services and progressive forms of work--the express fulfillment of orders, home deliveries, subscriber services and the broadening of the network of comprehensive reception centers and high-class consumer enterprises. The network of organizations and reception centers in rural locations, at plants, factories, construction projects and hostels will be enlarged.

In all this, the principle of the utmost convenience for the customer and the saving of working people's time must be observed. It is important to utilize the experience of advanced collectives here. Thus a number of enterprises in Kiev, Leningrad and Penza have gone over to working according to the "same day" system. The essence of the system is that experts carry out orders for the repair of radio and television sets and complex household equipment on the same day that the order is made and, of course, at convenient times for city dwellers.

Enlarging the network of consumer service enterprises and improving their work is a common concern. Industry, science and culture workers must make a substantial contribution to this cause. The resolution sets targets for ministries, departments and organizations for the construction of socioconsumer projects, the production of machinery, instruments and mechanization equipment, the supply of special vehicles for consumer service enterprises and the more efficient use of new equipment. It is necessary to formulate new standard designs for consumer service enterprises bearing in mind the country's diverse climatic zones.

The task is to accelerate scientific and technical progress in the sector, involving the collectives of industrial enterprises and scientific institutions more widely to this end. The RSFSR Ministry of Consumer Services' Central Scientific Research Institute for Consumer Services has been entrusted with the functions of the head scientific organization for the elaboration of the sector's most important technical and socioeconomic problems, as well as the methodological leadership of scientific research, design and technological organizations of union republic consumer services ministries. Measures have also been laid down to improve the material and technical supply of the sector's enterprises.

The supply of spares is a very acute question. Many writers of letters to PRAVDA complain of shortages. The CPSU Central Committee and USSR Council of Ministers resolution lays down that ministries manufacturing radio and television equipment, household equipment and appliances should provide consumer service enterprises with spares in accordance with the established normatives and contracts that have been concluded.

Consumer services need competent cadres who love their work and are capable of organizing a high standard of service for working people. Educational institutions are expected to provide highly skilled experts. These must also be trained at the sector's enterprises. Great hopes are pinned on the new

detachment of young people being sent to the sector on Komsomol Central Committee authorization. It is necessary to enlist pensioners, housewives and students more broadly at the sector's enterprises and organizations and to adopt measures to improve consumer service workers' housing conditions, to provide them with children's preschool institutions, expand the young pioneer camp network and organize service workers' leisure.

Local party organs are called upon to intensify organizational work in developing and improving the population's consumer services and increasing the responsibility for this matter on the part of leaders of soviet and economic organs, enterprises, organizations, kolkhozes and sovkhozes. The primary party organizations of consumer service enterprises expect great attention and assistance from party committees. Their duty is to educate service workers in a spirit of high responsibility for the fulfillment of state plans and their own official duties and of implacability toward shortcomings in work and in a spirit of the strictest observance of discipline, a thrifty attitude toward socialist property and a high standard of service. Our press, television and radio are called upon to actively propagandize the experience of advanced collectives and the best workers and to promote the raising of those professions' prestige.

Consumer service workers have much to do in order to successfully fulfill the targets for the development and improvement of the sector's work and to make a worthy contribution to further improving Soviet people's living and consumer service conditions.

CSO: 1827/191

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

TIGHTER CONTROLS OVER PRODUCTION OF MILK, BY-PRODUCTS URGED

Moscow PLANOVYE KHOZYAYSTVO in Russian No 3, Mar 83 pp 67-72

[Article by V. Sergeyev, candidate of economic sciences: "Use Milk More Rationally"]

[Text] The USSR Food Program provides for insuring within the shortest possible time a steady supply of all types of food to the population with a substantial improvement in the dietary structure by means of the more valuable products, including milk and dairy products. The basic direction for improving the supplying of the population with milk is increasing the production of the latter primarily by improving the productivity of the cows; however, its more rational use is also acquiring a great deal of importance.

The USSR has a 22 percent share of the world volume of cow's milk, but its population is only 6.1 percent of the entire number of people living on the earth. Consequently, the potential opportunities for satisfying the population's requirements for milk and milk products in our country is 3.6 -fold higher than the average world level. However, the amount of dairy products, which is obtained from one million tons of milk produced in the country, is lower than the average world level. The primary reasons for this situation are the lag of the dairy industry's capacities behind the production potentials of agriculture, the irrational use of milk in the dairy industry and agriculture, the imperfections in the system for accounting for milk assets, its unjustifiably high expenditures for fodder purposes, and the under-estimation of economic losses in the country's national economy from feeding cattle over and above the norm.

During the summer period, the dairy industry is not able to insure the complete processing of all of milk's component substances for food purposes. A little more than a third of the obtained skim milk and buttermilk and 18 percent of the whey are processed into food products, primarily milk fat, in the industry. The remaining skim milk, buttermilk and whey are returned to agriculture and are fed to cattle. In addition, 13-13.8 percent of the produced whole milk is fed to cattle. As a result, no more than 85 percent of the produced milk fat, 60 percent of the protein and 55 percent of the lactose is used for food purposes.

Milk is required for the reproduction of the cattle and pig population. However, it is being expended in agriculture over and above the norms which insure their normal reproduction. An analysis of the recommended norms¹ and the actual expenditure of whole and skim milk (by-products) for raising calves and suckling pigs has shown that these norms differ very much for republics and rayons. Thus, for raising a maintenance heifer in the Transcaucasus republics, it is recommended that 150 kilograms each of milk and by-products be expended, and in the Lithuanian SSR -- it is 1.7-fold and fourfold more, respectively. In the central non-chernozem zone, it is recommended that 180-200 kilograms of milk and 200-400 kilograms of by-products be expended for raising a pedigree heifer, and in the Central Asian republics, they are 1.7- 2-fold and 2.3-3.5-fold more, respectively. The variation range of the recommended norms for the expenditure of milk to raise pedigree bulls and calves for meat is also significant. They do not provide for the use of any other animal protein, except milk, in raising calves. These norms, which were developed at the end of the Sixties, are still in effect although substantial changes have taken place during the years, which have passed, both in the pedigree structure of the cattle population and in the supplying of the farms with animal feed and substitutes for whole milk (ZTsM).

During the period between the 1974 and 1980 census of pedigree cattle, the proportion of large milk and meat breeds decreased in the structure of the herd being reproduced and the proportion of average-size milk ones increased (for example, the proportion of varied-colored black milk strains increased from 15.8 to 23.8 percent). This trend is being maintained in the future because the proportion of average-size milk strains is higher among calves that are one to two years old than among the adult cows. In connection with the decrease of the percentage of large strains of milk and meat cattle within the herd structure, the norms for the expenditure of milk to raise calves should be correspondingly decreased.

The average norms for the expenditure of milk and by-products to raise calves have been calculated by us considering the structure of the herd being reproduced in the union republics. A comparison of actual milk expenditures with these norms has shown that the amount of milk and by-products, which was fed to calves, did not exceed the norm during 1979 and 1980 in Georgia, Azerbaijan, Armenia, Kazakhstan and Tajikistan. In a number of republics, the rearing of calves took place with an over-expenditure of these products according to rough calculations.

When using starter animal feed and whole milk substitutes, the expenditure of milk to raise a calf can be significantly lowered. During 1970-1980, the delivery of animal feed to agriculture increased 2.7-fold, including an increase in the delivery of starter animal feed. The industrial production of whole milk substitutes was expanded. In 1980, 83-fold more of it was delivered to agriculture than in 1970.

For the rearing of a calf with an expenditure of 42 kilograms of starter feed, 135 kilograms of milk and 450 kilograms of by-products are required; with an expenditure of 24-28.8 kilograms of industrially produced dry whole milk products -- 60 kilograms of milk and 450 kilograms of by-products. The

simultaneous use of starter fodder and whole milk substitutes permits the expenditure of milk and by-products to be significantly decreased. In some republics, however, milk and by-products are being over-expended when raising calves although starter fodder and whole milk substitutes are being used simultaneously. Thus, 59.9 kilograms of starter fodder and 40.3 kilograms of dry whole milk substitutes were delivered to the kolkhozes and sovkhozes of the Estonian SSR during 1980 for each grown calf. With such a quantity, it is sufficient to expend 60 kilograms of milk and 110-190 kilograms of by-products per calf. The actual expenditure was 427 kilograms of milk and 515 kilograms of by-products, i.e. it exceeded the norms by 7.1-fold and 2.7-fold, respectively. In Lithuania, milk was expended 1.7-fold more than the regional norms and by-products 1.5-fold more during 1979-1980 to raise a calf with a simultaneous 2.5-3.5-fold overexpenditure of starter fodder; in Moldavia, the corresponding figures were 2.3- 2.4, 1.4 - 1.7 and 3.5- 4.1-fold. A similar situation is being observed in Latvia and Uzbekistan.

The overexpenditure of milk is also occurring in the raising of suckling pigs. The diversity of regional norms for milk expenditures and the absence of control over their observance are contributing to this. For example, it is recommended in Armenia that 3.5 kilograms of milk be expended to raise a suckling pig; in the Ukraine-- 16-17.5 kilograms of by-products, and in Lithuania -- 15 kilograms of milk and 18-20 kilograms of by-products. The recommended norms for by-product expenditures to raise a young maintenance pig in the central non-chernozem zone varies from 48 to 240 kilograms. Meanwhile, the latest research, which has been conducted in the Estonian agricultural academy, has shown that it is possible to raise suckling pigs on fodder without using milk, and by-products, and maintenance young animals -- without using by-products.² The norms being recommended for the expenditure of by-products for the bacon and meat fattening of pigs and also for the feeding of male and female pigs are contradictory. In some republics, by-products are not being fed to these categories of pigs; in others, they are being expended in significant amounts (for example, in Belorussia-- up to 500 kilograms per head during bacon fattening, 548 kilograms per male pig and 325-360 kilograms per sow).

In some republics, starter fodder was also overexpended along with the above-the-norm feeding of whole milk although it is possible to rear suckling pigs with its use without the expenditure of milk. For example, it was possible in the Estonian SSR to raise suckling pigs during 1979-1980 only on starter fodder; however, whole milk in an amount, which exceeded the permissible norm for its expenditure 2-2.4-fold, was fed to each suckling pig without using this fodder. In the Lithuanian SSR, the amount of whole milk, which was fed to each suckling pig, was 1.6-1.7-fold more than the norm, and of starter corn-- 1.5-1.9-fold more than the amount permitted for raising suckling pigs without whole milk.

Unjustifiably low prices and the high proportion of its return to agriculture in the majority of the union republics are contributing to the feeding of by-products to cattle above the norm. In Georgia, Azerbaijan and Armenia, it is

being returned to agriculture within the limits of the norm requirement. In the majority of the republics, especially those with a large per capita production of milk and butter, the return of by-products significantly exceeds the norm requirement of agriculture.

By-products are being returned to agriculture at the price of 10 rubles per ton although they are being sold to the food industry for 30 rubles and they cost the state almost 160 rubles per ton (if you assess them in proportion to their nutritiousness and based on the effective purchase prices for whole milk of basic fat content). The price of 10 rubles per one ton of by-products was established in 1961 when the purchase prices for milk were 2.3-fold lower than the ones in effect now. As a result, the cost of one fodder unit of by-products was lower than its cost price in all feed except pasture and green feeding, and 6-7.4-fold lower than its actual cost price on the kolkhozes and sovkhozes (if you assess the by-products according to the cost price of producing milk considering the correlation of their food values). Therefore, the farms are economically interested in the maximum possible obtaining and feeding of it to cattle because of the prices in effect for the by-products being returned.

In a number of republics, the production volumes of starter fodder for calves and suckling pigs do not correspond to their population. Little starter fodder for calves and suckling pigs is being produced in the RSFSR, the Ukrainian SSR, the Kazak SSR and the Azerbaijan SSR. In the majority of the other republics, their amount is higher than the rational norm. This leads to the overexpenditure of scarce protein of animal origin. It is known that the expenditure of fodder for one quintal of weight gain grows by 15-20 percent with a shortage of re-cooked protein in the rations of the animals. In order to decrease the expenditure of fodder in the animal's rations, protein of animal origin is being introduced: fish, meat and meat and bone flour, dietary yeast and milk protein (in the milk, buttermilk, whey, and whole milk substitutes). However, whereas the use of all types of fodder meal and yeast decreases the expenditure of fodder, the feeding of milk protein to animals does not contribute to their savings.

According to the method in effect for calculating the expenditure of fodder per one quintal of animal weight gain, only the dietary value of the milk, by-products, whole milk substitutes, buttermilk, and whey, which has been fed, is taken into account. During the 10th Five-Year Plan, for example, 1.5 quintals of feed units of fodder were expended to produce one quintal of milk in the country, but the allowed fodder value for one quintal of milk was 0.34 quintals of fodder units, i.e. 4.4-fold less than the actual expenditure of fodder. If one considers the expenditure of fodder for the production of milk protein, it turns out that the feeding of it to cattle leads to a concealed overexpenditure of fodder.

Scarce protein is overexpended during the feeding of milk protein to adult animals because it is processed in the animal's bodies twice: first in the vegetable feed in the cow's bodies and then in the form of milk protein in the bodies of adult calves and pigs. For this, 10 kilograms of re-cooked protein

fed to the cows are expended for one kilogram of milk protein produced. When feeding one kilogram of milk protein to cattle, it is possible to obtain in the final product -- the meat: 85-90 grams of protein in beef and 145-190 grams in pork, i.e. 11.1 - 11.8 and 6.7 - 6.9-fold less food protein than was fed.

Many common vegetative feeds (of the 17 types of feed, which are included in the rations of milk cows, only two types are not fed to pigs) are included in the rations of milk cows and calves and pigs being raised for meat. Therefore, by replacing milk protein with vegetable protein in the rations of adult calves and pigs, it is possible to save food assets having increased the expenditure of fodder for one quintal of cattle weight gain by 15-20 percent.

During the 10th Five-Year Plan, whole milk substitutes in an amount which insured the replacement of 6.6 million tons of whole milk, were delivered to agriculture. In our opinion, however, the state did not receive this amount of additional milk primarily because of the absence of a legal statute regulating the relationship between the state enterprises, which supply the whole milk substitutes, and the farms, which use them. It is thought that by using whole milk substitutes on farms, milk would be released which would be returned to the latter in the overall volume of its sales to the state. In other words, farms are partially fulfilling the plan for the production and sale of milk to the state with the help of the whole milk substitutes obtained from it and have a significant income in this respect. Therefore, the farms are economically interested in the maximum obtaining and feeding of whole milk substitutes to cattle. The whole milk substitutes are often used not as directly intended but as a normal protein supplement to the fodder. In such a situation, increasing the delivery of whole milk substitutes to agriculture does not insure a corresponding growth in marketable milk assets, but only leads to an increase in its expenditures for fodder purposes. This is evident from the table.

The Feeding of Milk and Its Substitutes to Cattle on the Kolkhözes and Sovkhözes of the Estonian SSR During 1965-1980

	Dynamics by Years					
	1965	1976	1977	1978	1979	1980
Milk produced, 1000's of tons	585.3	925.7	950.2	903.3	902.6	939.4
Fed to cattle, 1000's of tons:						
Whole milk	53.8	68.8	75.0	77.0	74.9	77.1
Whole milk substitutes re-calculated as milk*	--	44.6	50.4	62.3	66.7	79.9
Whole milk and its substitutes	53.8	113.6	125.4	139.3	141.6	157.0
Proportion fed to cattle, % of milk production;						
Whole milk	9.2	7.4	7.9	8.5	8.3	8.2
Whole milk and whole milk substitutes	--	12.3	13.2	15.4	15.7	16.7

*One ton of dry whole milk substitutes replaces eight tons of natural milk with a basic fat content.

In 1965 when whole milk substitutes were not delivered to agriculture 9.2 percent of the milk produced was fed to the cattle on the kolkhozes and sovkhoses of the Estonian SSR. During the 10th Five-Year Plan, as deliveries of whole milk substitutes increased to these farms, the amount of whole milk fed to the cattle also grew. In 1980, almost all the young of the agricultural animals on the republic's kolkhozes and sovkhoses were able to be reared using whole milk substitutes. However, 8.2 percent of the natural milk was also fed to the cattle besides them. The overall expenditure of milk and whole milk substitutes reached 16.7 percent of the gross output of milk.

In our opinion, the need has matured to legitimize a situation in which the delivery of whole milk substitutes by the state is regarded as a temporary loan to the farms subject to reimbursement, but the milk, which gets to the state as its repayment, is excluded from the volumes in the fulfillment of the plans for the production and sale of milk to the state. In other words, it is advisable to extend the situation, which is in effect regarding state fodder and seed loans, to whole milk substitutes. It is also necessary to regulate the accounting of whole milk substitutes on the kolkhozes and sovkhoses. Thus, in our opinion, the expenditure of whole milk substitutes is being inaccurately reflected in the form of the No 16 summary annual reports of the country's kolkhozes and sovkhoses. In accordance with the instructions all types of industrially produced whole milk substitutes should be recalculated into dry whole milk substitutes with a food value of 2.3 fodder units per kilogram. Other coefficients, which distort the actual expenditure of fodder for one quintal of cattle weight gain, are being used in the reports.

During the postwar period, primary attention has been devoted in our country to increasing the production of milk; however, the development of the milk industry has not been assured in the necessary manner. As a result, its capabilities have lagged behind the production capabilities of agriculture.

During the last 20 years, changes in world trends have been noted in the processing of milk. The percentage of milk, which is processed into butter, is decreasing in many countries with a corresponding increase in its processing into cheese and dry milk products. During 1961-1980, the average world production level of butter from one million tons of milk decreased by 26 percent, but cheese increased by 28 percent and dry milk products by 55 percent.

In our country, butter making remains the basic direction in the processing of milk and the cheese-making and dried milk branches of the industry are not being sufficiently developed. Moreover, the rate of development in cheese making decreased during the last 10 years.

Since the beginning of the 10th Five-Year Plan, steps have been taken in the dairy industry to maintain the production of butter at the level which had been achieved. The average fat content of the milk, yogurt and other milk products, which are being sold, is decreasing; and the released fat is being directed toward the production of butter. Thus, the population is primarily consuming milk fat, but the most valuable part of the milk -- the protein, lactose, amino acids, vitamins, and mineral substances--remain in the skim milk and buttermilk. There are two ways to maintain the consumption of

milk fat at a rational level. One of them is the wider use of margarine and vegetable and cooking fats and the decrease because of this in the use of butter for the cooking of food. The second way is to decrease the fat content of a portion of the butter which is being produced. During the last 10-15 years, the consumption of milk fat has been decreased in many developed countries because of a decrease in the use of butter and in the lowering of its fat content. Butter with a fat content of 30-45 percent is being produced in Holland, the FRG, the GDR, Poland, and other countries. During 1980, butter with an average fat content of 40 percent was produced in the United States.

At the present time, the state assets of milk are calculated in the country only according to the fat balances. Under this system, milk assets are being unevenly distributed between the country's regions, and the average per capita consumption of milk and dairy products is not reflected in the actual consumption of them by the population. When delivering milk to the union fund, the milk producing republics report on deliveries of fat. Each ton of delivered butter with a fat content of 82.5 percent is counted as a delivery of 23.4 tons of milk with a basic fat content which are considered as having been consumed in the delivery of regions (although 22.4 of the skimmed milk and buttermilk remained in the region of butter production). The need has ripened to improve the system of accounting for state milk assets. Besides accounting for them using fat balances, it is necessary to introduce an accounting based on the balances of dry substances (fat, protein and lactose). Milk balances based on dry substances will permit this valuable food product to be taken account of more accurately.

The measures, which are aimed at increasing the output and at expanding the assortment of low fat dairy products, will contribute to improving the use of milk in the country. It is also necessary to develop and incorporate into practices scientifically sound norms for the expenditure of milk and its by-products for raising calves and suckling pigs for the regions of the country, considering the changes which have taken place in the structure of the cattle population which is being reproduced and considering the growing capabilities of industry for the production of starter fodder and whole milk substitutes; it is necessary to regulate the production of this feed in the republics, coordinating their assortment and production volumes with the planned growth in the cattle population.

In order to improve the use of milk for food purposes and to increase its importance in evaluating the results of the economic activity of individual farms, rayons and regions of the country, it would be advisable to review the method for determining milk's marketable value, excluding from it the by-products, buttermilk and whey which are returned to agriculture. It is desirable to increase the prices for the by-products which are returned to agriculture. This would decrease the above-the-norm feeding of them to the cattle. The increase in prices should take place gradually as the milk industry is ready to process the released by-product assets, bringing these prices to a level at which the fattening of adult animals using the by-products would be economically disadvantageous.

In our opinion, it is necessary to increase the rate of development of the cheese-making and dried milk branches of the dairy industry. The building up of their capacities can be carried out without increasing the planned overall capital investments in the development of milk production and its processing by redistributing them. The best use of milk's components must be assured in the dairy industry. The production of liquid milk products with a content of dry substances, which approximate natural milk as closely as possible, is required for this. It is advisable to carry out an increase in the production of part of the milk products -- animal oil, cream, sour cream, cottage cheese, and cheese -- by decreasing their average fat content (this will permit the range of these products to be expanded) and by partially replacing milk fat with vegetable oils and by the best use of milk protein and lactose. For this, it is necessary to increase the monitoring of the rational and complete use of milk. A more effective solution to the problems, which have been raised in the country's Food Program, will thereby be insured.

FOOTNOTES

1. "Normy i ratsiony kormleneya sel'skokhozyaystvennykh zhivotnykh" [The Norms and Rations for Feeding Agricultural Animals], edited by M. F. Tomme, corresponding member of VASKhNIL [All-Union Order of Lenin Agricultural Sciences Academy imeni V. I. Lenin], Moscow, "Kolos", 1969, p 360; and "Tipovyye ratsiony dlya krupnogo rogatogo skota, sviney i ovets po zonam strany" [Standard Rations for Cattle, Pigs, and Sheep for the Country's Zones], edited by M. F. Tomme, corresponding member of VASKhNIL, Moscow, "Kolos", 1971, p 487.
2. Cf. T. A. Toym, "The Checking of Animal Fodder in Tests on Pigs" in "Sbornik nauchnykh trudov estonskoy sel'skokhozyaystvennoy akademii" [Collection of Scientific Works of the Estonian Agricultural Academy] No 126, Tartu, 1980, p 132.

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CSO: 1827/178

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

PRODUCE DISTRIBUTION NEEDS IMPROVEMENT

LD040150 Moscow Domestic Service in Russian 1030 GMT 4 Apr 83

[Summary] The Moscow City Council Permanent Commission on Trade reviewed the problem of vegetable and fruit preservation at the 23 vegetable and fruit distribution bases in the capital. People's deputies have been assigned to these bases. The variety of products in the shops has recently increased and there is a greater proportion of prepacked vegetables on sale. The Dzerzhinskiy base is considered one of the best. Its manager, M. A. (Omburtimyan), says in an interview that some of the problems encountered at the bases are incorrect preservation methods, poor organization in the retail network, and poor quality of the incoming supplies. At the Dzerzhinskiy base alone, the substandard products were reduced by 3,000 tons in 1982.

Kozlov, the USSR minister of fruit and vegetable farming, invited the ministers of Uzbekistan, Turkmenia, Azerbaijan, Georgia and other responsible persons who had been supplying substandard products to Moscow, and the situation was improved. Not all kolkhozes and sovkhoses or procurement points are as conscientious about their tasks as they should be. Sometimes they send their total output, regardless of quality. As a result, some of the products that are received have to be processed in Moscow or be used for animal feed. The distribution bases in Moscow have losses of between R4.29 and R20.77 per 1 ton of realized product. In order to improve matters, it is important to provide better mechanization of the handling processes, rather than to rely on outside manual labor. These helpers, drawn from city enterprises, often do not enjoy their temporary assignments and their work cannot be organized satisfactorily.

CS0: 1827/194

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

BRIEFS

CONSUMER GOODS DISCUSSED--Consumer goods make up about one-half of all of Estonia's industrial production. In only 2 years of the 5-year plan period goods worth more than R128 million have been produced above plan. The quality of goods also has been raised. This was noted at a plenum of the Estonian CP Central Committee which took place in Tallin today. It discussed the question of the organizational and political work of party organizations of the republic in further increasing production, expanding the variety and raising quality of consumer goods. In the report and speeches made by Comrade Vaino, first secretary of the Estonian CP Central Committee, and other speakers it was noted that despite the successes which have been attained there are great possibilities in all branches of the national economy for increasing the output of high-quality goods which meet the increased demands of Soviet people. Party organizations, the plenum stressed, should decisively struggle against bad management, for the efficient expenditure of raw materials and materials and for a better dissemination of the experience of leading collectives. The plenum reviewed and approved the Estonian SSR's food program up to the year 1990. [Text] [LD092022 Moscow Domestic Service in Russian 1500 GMT 9 Apr 83]

RSFSR CONSUMER MEETING--At the collegium of the RSFSR Ministry for Consumer Services today there was a discussion of questions connected with fulfilling the resolution of the CPSU Central Committee and USSR Council of Ministers on further developing and improving consumer services to the population. As Dudenkov, minister for consumer services, noted, the enterprises in the services sphere fulfill more than 11 million orders daily for 900 different types of services. At the same time there are a great number of substantial shortcomings in the work of the enterprises and organizations of the service industry. Often the order is not fulfilled on time and the standard of production remains low. It was noted at the collegium that there will be rapid development of types of services such as the repair of televisions, radios and taperecorders, including the progressive forms of service--the replacement of defective household machines and gadgets by ones which have been repaired in advance and home pickup and delivery. Measures will be implemented which are directed at more completely satisfying the demand of the Soviet people for consumer services and at raising the quality and standard of service. Substantial amounts of money are being allocated for 1984-85 for further developing a material-technical base for the consumer services of the population. [Text] [LD010325 Moscow Domestic Service in Russian 1600 GMT 31 Mar 83]

HOUSING AND PERSONAL SERVICES

DECREASING SERVICE EXPENDITURES FOR NON-PRODUCTION ENTERPRISES

Moscow SERIYA EKONOMICHESKAYA in Russian No 1, Jan-Feb 83 pp 56-69

[Article by N. I. Moskaleva: "The Peculiarities of the Mechanism for Forming Expenditures for Services and Ways To Decrease Them in Enterprises in the Non-Production Area"]

[Text] The article is devoted to problems on decreasing the cost of services and improving its role in evaluating the activity and motivation of collectives in cost-accounting enterprises in the non-production area. During the analysis, the economic nature of the cost of non-production services is brought to light, the mechanism for forming expenditures for their rendering is revealed, and the factors for the movement of the cost of services and the main ways to decrease it are defined.

The 26th CPSU Congress pointed out that decreasing costs is one of the main ways for economic growth during the Eighties. In the "Basic Directions of the USSR's Economic and Social Development During 1980-1985 and for the Period out to 1990", the need "... to increase profitability, eliminate production unprofitability, and increase profits primarily by decreasing costs ..." was pointed out (1, p 199).

It is necessary to solve the problem of lowering costs in all subunits of the national economy, including enterprises in the non-production area. The urgency of this problem during the present stage is evoked by the fact that considerable material, labor and financial resources have now been concentrated in the branches of the service area. Thus, 26.1 percent of those employed in the national economy and 34.1 percent of fixed assets were used in the branches of the non-production area during 1980. State budget expenditures to develop the leading branches of the non-production area (education, science, health care, and physical culture) have reached 98.8 billion rubles (3). The rational use of these resources must insure the achievement of society's highest goals with the least expenditure of labor.

The solution of the task of lowering costs, which was assigned by the 26th CPSU Congress, is undoubtedly acquiring specific features under the terms

of the non-production area. This is caused by the nature of the work which is taking place in this area, by the social significance of its results, and by the peculiarities of production in this subunit of the economy.

According to its economic nature, the cost of the services of the non-production area branches represent the total of the enterprise's expenditures to provide them; the national income of society, which arrives in the area's enterprises in the form of payments for services and state financing, is the source of these expenditures. The expenditures, which have been stated in the cost of services, are usually lower than the society's costs which are connected with the rendering of them because they do not usually include an important part of the expenditures which are carried out using state budget resources. In this respect, the cost model for the different types of services is not identical both in the degree to which expended budget resources are reflected in it and in their proportion in the overall expenditures of the enterprises. Complete expenditures are reflected in the cost of only some types of services (the majority of the consumer services enterprises, circuses etc.). Expenditures for new construction, capital repairs, etc., are not included in the costs of a significant portion of the services.

The relationships of the shares of the enterprises' own resources, which are received from the sale of services and other types of economic activity and from the state appropriations included in the cost of services and in the overall expenditures of the enterprises, are not identical both for types of services and for groups of enterprises. This relationship is caused by the unequal social role of the services and by the differences in the conditions of their production. The cost of first priority services and those of greater social importance and the costs of the services of enterprises, which are operating under the worst natural, climatic and economic conditions, contain the largest share of state appropriations.

The cost model of services is also peculiar from the point of view of the product list of expenditure items. It does not usually include the expenditures which are connected with the sale of services because the production and consumption processes of the services coincide in a majority of the cases. Based on this, the distribution costs of services (the sale of tickets, advertising, etc.) are not isolated as an independent element of the expenditures but are reflected in the cost of their production. Only a few types of personal services, whose production is connected with the use of a material product which is received in the enterprises at wholesale prices, form an exception.

When talking about the specific nature of the cost of services, it is also necessary to point out the peculiarities of its structure. Wages are its main element. This is caused by the low material-intensity of the production of services, the comparatively low level of the capital-labor ratio in these branches, and the high labor-intensity of the production. The proportion of material expenditures for non-production types of services does not exceed 10 percent on the average, and the proportion of wages reaches 50 percent and more. The proportion of power and materials-handling machines in the overall cost of the fixed capital of the enterprises varies from 1 to 15 percent (9, pp 147 - 148).

The cost structure, however, is not identical in the different branches of this sphere. These differences are basically caused by its conglomerate nature and the presence in it of types of activity which are not identical based on the work article, the form of the social organization of the production, the degree of technical equipping, etc. In those enterprises where labor is directly aimed at servicing the individual, expenditures for wages predominate in the cost of services; in enterprises which provide material services, support the population's consumption of material wealth, or create the material conditions for the consumption of services, the proportion of expenditures for wages is significantly lower. Thus, in theatrical and show enterprises and in the majority of consumer services enterprises in the non-production area, more than half of all expenditures falls to the share of wages; in housing and communal services and in rental, passenger transport and communications enterprises servicing the population, the proportion of wages does not exceed one-third of all the enterprises' expenditures for providing services (Table 1).

The cost structure of the services, which is presented in Table 1, has to a certain degree a conditional nature since it combines branch groups of enterprises which are not only not identical according to the proportion of expenditures included in its costs but also according to the method of their distribution among the expenditure items. For example, when calculating the wages of the main production workers in the area of the population's consumer services or of the auxiliary personnel of cultural and artistic enterprises, the deductions for social insurance are reflected in the appropriate expenditure items or are singled out as independent items; when calculating the wages of a contingent in cultural and artistic enterprises these deductions are attributed to other operating expenses. The situation with the distribution of material expenditures is analogous. In some cases (consumer services), they are broken down by separate items; in others (cultural enterprises) they are combined in one expenditure item, etc. Such differences evoke the need to resort to the consolidation of expenditure items when analyzing the cost structure of services in the non-production area.

The nature of the indicators, which are used as the unit of service, has important significance in analyzing the cost of services. In the non-production branches, the cost indicator -- expenditures per ruble of receipts -- is also used to express the unit of service along with actual values (bed-day, kilowatt hour, viewer, etc.). Certain difficulties, however, are connected with using the cost indicator as a synthetic expression of the unit of service. First, the use of this indicator rules out the opportunity to sum up and compare the results of the activity of budgetary and cost-accounting establishments and enterprises and, second, in making the cost of different types of paid services comparable, the magnitude of the expenditures and its movement is at the same time not sufficiently fully expressed since the size of the receipts depends here mainly on the price level of these services. In practice, this leads to the cost of services, calculated per ruble of receipts, being lower where the price of the services is higher and vice versa.¹

Table 1. Cost Structure of Non-Production Services*

(1) Статья затрат	(7)						
	(2) театры	(3) цирка	(4) концертные организации	(5) зоопарки	(6) парки и сады	(8) ведомст- венный фонд	(9) фонд мест- ных Советов
(20) Материальные затраты, включая амортизацию основных фондов	13,3	17,4	3,5	20,3	20,1	79,6	57,0
(21) Зарплата основных работников	63,8	37,0	41,2	32,5	45,3	10,1	24,0
(22) Прочие эксплуатационные расходы	14,5	40,1	51,6***	45,1****	31,8	10,3	19,0
(23) Внеэксплуатационные расходы	8,4	5,5	3,7	2,1	2,8	—	—

Вид услуг (10)								
(11) парик- махер- ские	(12) бани и души	(13) пр.кат	(14) аппар- аты	(15) справоч- ная служба	(16) информ- ацион- ные КСО	(17) санатории	(18) дома отдыха	(19) пансионаты
18,1	41,6**	4,5	—	1,9	22,3	15,9	18,9	13,9
63,5	46,1	28,0	57,8	70,1	45,1	17,8	11,3	9,6
18,4	12,3	67,2*****	38,6	28,0	32,3	66,6*****	69,8*****	76,5*****
0,1	0,5	0,2	3,6	—	0,3	0,01	0,04	0,01

*Calculated according to (5, pp 32, 38, 43, and 45; 9, p 148; 10; 11, p 103).

**Water and steam on the side form 40 percent of the expenditures.

***Guaranteed payments to organizations for the performance of collectives and individual performers and payment for travelling expenses and the renting of premises while on tours form 90 percent of the expenditures.

****Expenditures for feed for the animals are 70 percent.

*****60 percent go for wear and tear on the hiring assets.

*****More than half of the expenditures are expenses for feeding guests.

Key:

- | | | |
|------------------------------|--|---|
| 1. Expenditure item | 10. Type of services | 17. Sanatoria |
| 2. Theaters | 11. Barbers | 18. Rest homes |
| 3. Circuses | 12. Baths and showers | 19. Holiday hotels |
| 4. Cooperative organizations | 13. Hiring | 20. Material expenditures, including amortization |
| 5. Zoos | 14. Pawn shops | 21. Wages of the main workers |
| 6. Parks and gardens | 15. Reference and information service | 22. Other operating expenses |
| 7. Housing | 16. Non-industrial personal services combine | 23. Non-operating expenses |
| 8. Departmental fund | | |
| 9. Local soviet fund | | |

The differences in the size, structure and methods for calculating the cost of services hampers the comparative analysis of the results of the enterprises' activity and the detection of general tendencies in the development of the service area as a whole. This leads to the necessity of using an analysis of cost for types of services.

The analysis of the cost of services by types showed a significant diversity in its level both in the territorial and in the intra-regional aspects. For example, significant differences in the level of service costs have taken shape in the country's natural and climatic zones. Despite the fact that natural and climatic conditions do not usually exert any substantial influence in the service area branches on the process of providing services, they, however, determine the level of their costs to a significant degree. The degree of their effect on the cost of services is directly proportional to the proportion of wages in the overall expenditures for services. As a result, the cost of services is 1.5-fold - twofold higher in the rayons of the Far North and the localities equivalent to it where the wage level is significantly higher than in the country's other regions owing to salary allowances and the coefficients and other established benefits, which are in effect in these localities, than in other rayons (9, p 150).

By orienting on the local market, the activity of the majority of the service area enterprises, which differ in the nature of their intra-regional distribution, size, form of public organization of production, etc., takes place under unequal economic conditions. Differences in the service cost level of individual groups of enterprises arise as a result of this. This occurs because of the unequal urbanization level of the country's individual regions, differences in the degree of specialization of their enterprises, etc. Large specialized enterprises, which have a wide contingent of consumer services, normally function in industrial and cultural centers. This creates favorable conditions for intensifying production. As a result, the cost of services in them is 1.3- 1.7-fold lower than in small cities and rural localities. For example, variations in the cost level of services for the union republics has reached: trade union health resorts -- 1.4-fold, theatrical and show enterprises- twofold, etc. For the economic rayons of the RSFSR, these differences are being somewhat leveled; however, even here they are still significant and are 1.2-fold and 1.6-fold, respectively. For the oblasts of the RSFSR Central Economic Rayon (TsER)-- an analysis of its regional cost of services was conducted as an example of this, these differences are being maintained or are even growing. Here, they reached during the investigation period 1.2-fold and twofold, respectively.

An analysis of the cost of services in the TsER consumer services, cultural and health care enterprises showed that in the oblasts which are characterized by a higher level of urbanization and by the predominance of industrial production in the gross receipts and of people employed in industry within the overall number of working individuals (we will call them Group I oblasts), costs are normally quite a bit lower than in the other oblasts (Group II) of the rayon (Table 2).

Table 2 -- Size of Expenditures Per Ruble of Receipts for the Oblast Groups in the RSFSR TsER, Kopeks

Oblast Groups	Theaters	Circuses	Parks	Barber-shops	Rental	Other non-industrial services	Sanatoria
I*	111.8	69.1	100.9	88.6	84.8	70.5	96.0
Including Moscow	103.8	63.6	95.9	89.1	80.7	64.2	---
II	167.4	88.1	103.6	92.8	82.1	107.1	101.4

Source: (5, pp 28 and 32; 9, pp 150-151; 11, p 86; 14).

* Group I Oblasts include Vladimir, Ivanovo, Moscow, Tula, and Yaroslavl;
II -- Bryansk, Kalinin, Kaluga, Kostroma, Orel, Ryazan, and Smolensk Oblasts.

As the analysis showed, however, the size of the cost is not stable. A study of the movement of costs for different types of services during the years of the last two five-year plans has shown that along with trends, which are common to branch groups of enterprises and which are mainly expressed in a growth in the cost of services, there are also significant differences both for the five-year plans and for the types of services. During the years of the 9th Five-Year Plan, for example a growth was observed in the cost of consumer services and in the services of theatrical and show enterprises, trade union health resorts and passenger transport. However, under the growth tendencies for expenditures for services which were detected during the years of the 9th Five-Year Plan, a decrease in the cost of their production was noticeable in a whole series of non-production types of services. Thus, in consumer services for the population, the cost of rentals and other non-production types of consumer services was decreased with a growth in the cost of barber shop, bath and shower pavillion services; a growth in the cost of zoo services occurred with a decrease in the costs of park and garden services; there was a growth in expenditures for maritime transportation with a decrease in the costs of air transportation; etc.

These tendencies were maintained to a certain degree during the years of the 10th Five-Year Plan although the increase in the wage level of workers in the branches of the non-production area, the rise in the price of certain materials and the improvement in the quality of servicing the population were accompanied in a majority of cases by a growth in expenditures for services which was not always compensated for by an increase in the income of the enterprises. This led to a growth in expenditures per unit of service and per ruble of receipts. It is necessary to point out that the growth rates for the cost of services during the 10th Five-Year Plan were higher than those during the 9th. During the years of the 10th Five-Year Plan, for example, expenditures for USSR Ministry of Culture theaters calculated per viewer grew by 25.9 percent when

this growth was only 7.7 percent during the 9th Five-Year Plan. These expenditures per ruble of income grew by 19.7 percent during the 10th Five-Year Plan and only 1.3 percent during the 9th Five-Year Plan. The enterprises, which had decreased the cost of services during the 9th Five-Year Plan, as a rule increased it during the 10th Five-Year Plan. Thus, the size of expenditures per ruble of income was lowered in USSR Ministry of Culture Circuses during the years of the 9th Five-Year Plan by 5 percent and grew by 12.9 percent during the 10th Five-Year Plan (calculated according to (4; 5, pp 18,26,32, and 46)).

The differences in the movement trends of costs for the types of services, which took shape during the years of the last two five-year plans, were to a certain degree the result of differences in their production conditions. As a rule, costs in highly profitable enterprises, which had at their disposal broader capabilities for further growth, improving production and increasing the level of material interest in work results in comparison with others, were decreased. The activity of low-profit and subsidized enterprises was characterized, as a rule, by a growth in the cost of services.

An analysis of the formation and movement of cost shows that management practices, which have taken shape in the service area, do not contribute to optimizing expenditures and to bringing their level toward the average socially required costs of providing services. The solution of the tasks, which have been assigned by the party in the area of decreasing costs in non-production branches, is connected with the rational use of economic production resources in them and with increasing the social and economic effectiveness of the expenditures.

The need is pointed out in the "Basic Directions for the USSR's Economic and Social Development During 1981- 1985 and for the Period out to 1990" to increase the role of the cost indicator in evaluating the activity and motivation of enterprise and association collectives (1, p 199). This is primarily possible by improving the planning methods for this indicator. Advanced and economically sound norms for labor and material expenditures must replace regional, and especially individual, production costs which are formed by considering the actual expenditures of the enterprises. At the same time, it seems advisable to include the cost indicator among the directive ones in order to unify the production costs of services and to improve society's monitoring of the use of labor, material and financial resources. When determining the planned cost level, it is necessary to consider the specifics of the branches. The heterogeneity of the services included in their composition and the clearly expressed local nature of the activity of the enterprises make the development of several cost indicator modifications, which express both branch and territorial (zone) differences in the conditions for producing services, necessary.

For this, a model of the cost of services is necessary for the unification. It should probably reflect all production costs, including appropriations from the budget and payments to the budget including those from which enterprises in the service area have been released. This would permit society's expenditures for their rendering to be more fully expressed in the costs and would make the indicators of the different branch groups of enterprises comparable.

The problem of decreasing costs in the branches of the non-production area must be solved in close correlation with the improvement of the population's servicing. This is being achieved by improving service production and sale processes as a result of which an increase in the quality and standards of the population's services is being insured with the least expenditures of human and materialized labor. An analysis of the social and economic results of the activity of the enterprises has shown that under these conditions the correct selection of the size of enterprises and of the form of the social organization of production and a scientific basis for the volume, assortment and structure of the services being provided, are the main factors in decreasing the costs of services.

In large enterprises which exceed the average branch scales in their size (production capacities, area, etc.), the cost of services is usually lower than in medium-size or small enterprises. However, the specific nature of providing services assumes the optimum combination of large, average and small enterprises; in this case, the social and economic effectiveness of their work is increased and the rational use of labor, material and financial resources is assured.

Considering the local nature of the activity of the enterprises, it is necessary when determining their size to proceed first of all from the requirements of the local population for this or that type of services. Only in areas where large masses of newcomers are concentrated (administrative and cultural centers, health resort areas, etc.), is it necessary to also take into consideration this contingent of service users.

The achievement of a correspondence between the demand and the supply of services is one of the most important factors in the growth of providing the population with services and in lowering their costs. The alignment of supply and demand is the most general proportion of public production which expresses the numerical measure of the relationship between the production and consumer processes and which is displayed in both areas of the national economy. However, the problem of aligning supply and demand in the non-production branches of the service area has a number of distinctive peculiarities which are caused by the specific nature of the activity in this subunit of the economy.

When determining the degree of correspondence between the supply and demand for services, it is necessary to take into consideration not only the services themselves as a useful effect of labor which emerges as activity but also the other components of this activity and their economic basis. This is, first, caused by the fact that the service production process requires the availability of definite economic resources whose formation precedes the rendering of services. The amount of human and material labor, which is intended for the providing of services and which exists outside it (a priori), can exceed the volume of actually offered services. This leads to the underutilization of fixed production capital and to losses of work time. Second, when producing services which are calculated using collective usage (the services of theatrical and show enterprises, passenger transport, etc.), there can exist an excess of production resources over the demand for them. This leads to the

underutilization of the enterprises' fixed capital. (For example, a concert or movie can take place either in a full or half full auditorium).

In the cases which have been cited, the underutilized economic resources can be regarded as potential services whose accumulation takes place in the form of a product not of labor but of production resources -- of human and material labor intended for rendering (consuming) a large volume of services which exceeds the population's demands. Thus, the problem of supply exceeding demand in the non-production area is expressed in the discrepancy between the economic production resources and the amount of services rendered or used.

For each of the branch groups of enterprises, of course, the problem of aligning supply and demand is expressed in a concrete form which reflects the specific nature of the production and usage of a given type of services. Thus, the form for demonstrating the alignment of supply and demand in theatrical and show enterprises is expressed in the attendance level of the auditoriums. At the present time, under the conditions of low attendance at theatrical and show enterprises, an increase in the level of their attendance is the main avenue for decreasing costs (Table 3).

Table 3. The Effect of Attendance in Theatrical and Show Enterprises on the Level of Service Costs*

Attendance at evening shows, % of the number of seats in the auditorium	Expenditures per ruble of income, kopeks				
	Circuses	USSR Ministry of Culture Theaters			
		overall	Operas and Ballets	Musical Comedies	Drama
Up to 50	--	282	642	286	223
51 - 70	87	214	595	196	181
71 - 90	74	178	266	145	159
91 - 100	68	137	154	--	146

* Calculated based on: (5, pp 26-33, 46 and 47).

Increasing the attendance level of theatrical and show enterprises contributes to solving not only economic but social problems. Theatrical and show enterprises are among the social and cultural installations the increase of whose contingent of users contributes to a growth in the Soviet people's cultural level.

A number of factors exert an effect on the attendance level of theatrical and show enterprises. The frequency of the up-dating of the repertoire plays an important role. Experience shows that attendance at performances in hospitals

falls with an increase in the number of their performances. This is especially noticeable in small cities where every play hardly lasts 30 - 40 performances and where the number of opening nights reaches 6-10 a year because of this (12). However, the staging of new and fundamentally up-dated shows requires significant expenditures with whose growth the expenses of the theatrical and show enterprises are increased.

It is known that the highest attendance of theatrical and show enterprises is during their tours and guest performances. A new collective, a new repertoire, a limited stay, etc., stimulate an increase in attendance and, consequently, in the filling of the auditoriums. It is possible to expect similar results from an exchange of plays or of individual actors between the theaters of one city or region.

Improving the forms and methods for selling tickets, in particular price differentials for theatrical and show measures -- for example, their lowering when the sale of tickets for unsold seats takes place on the day of the performance or one or two hours before its beginning -- has no small significance. Calculations show that the introduction of reduced prices (at a 50 percent discount) for unsold seats in USSR Ministry of Culture theaters during 1980 would have increased the level of their filling and under these conditions decreased the cost of services by approximately 1.2-fold (calculated based on (5, pp 18 and 26-33)).

The repertoire, which is compiled with a consideration for the population's wants, plays a definite role in increasing attendance at theatrical and show enterprises. However, theatrical and show enterprises must not only⁴ consider the demand but also form it, fostering the viewer's aesthetic wants.

The organization of their collective visiting either by means of population resources or by the resources of enterprises and organizations could contribute to a growth in attendance at theatrical and show enterprises. It seems that with the shift to the new system for planning and for the economic motivation of an enterprise, collective visits to theatrical and show enterprises could be provided for using the resources of the fund for social and cultural measures. Part of the resources of trade union's and other public organizations could also be directed toward these purposes.

Improving the form of the social organization of their production is another, no less important, factor in decreasing the cost of services. Even during the 24th CPSU Congress it was pointed out: "It is necessary to follow a policy of creating associations and combines resolutely -- in the future, they must become the main cost-accounting links of public production" (2). The solution of the question about concentrating production in the service area is complicated by the local nature of the activity of its enterprises and by the need to bring them as closely as possible to the user.

The concentration of the individual functions of territorially isolated enterprises, which are linked both with the direct production of services and with

the organization of its process, is the basic direction in creating production associations in the service area. Those functions, whose performance by separate enterprises is not efficient -- for example, the production of a material product, ancillary production, capital construction and repairs, logistics, bookkeeping operations, the sociological service for studying the wants of the population, administrative functions, etc., are being detached and collectivized.

Experience in organizing associations at all levels of collectivization already exists in individual subunits of the non-production area. The creation of the All-Union "Soyuzgostsirk" Association has provided positive social and economic results. It is a multi-functional enterprise which combines both production functions (the preparation of circus programs) and the functions of materially and technically equipping enterprises, performing ancillary work, administering the production and economic activity of circus enterprises, performing financial operations, etc.

The All-Union Association of the Sports Industry, whose composition includes enterprises for the production of sports equipment and other sports items, can serve as an example of collectivizing ancillary production. Among these associations, it is necessary to mention the All-Union "Soyuzteatrprom" Association of the Theatrical Industry whose composition includes the USSR Ministry of Culture plants and combines which are engaged in the production of specific materials, items, musical instruments, technical systems, apparatus, and equipment needed for the work of theatrical and show enterprises. Associations are also being created here by concentrating supply and sales functions. This type of association has a place in many subunits of the service area (culture, art, physical culture, and sports).

Opportunities for concentrating production in the service area are not limited to the collectivization of the separate functions of territorially isolated enterprises. Concentration is also possible within the framework of a single enterprise by collectivizing several specialized works. At the basis of this type of concentration lies not so much the common character of the technological processes, the material and technical base, etc., as the unity of the consumer characteristics of the services. Composite enterprises perform a definite circle of services which satisfy interrelated or interconnected demands of the population, for example, the organization of their leisure time, the collectivization of individual types of domestic work, etc. The creation of these complexes has a place in the population's consumer services (composite receiving points and rayon production departments) and in culture (cultural complexes in the village and parks of culture and rest in the city).

At the same time, associations in the service area need an improvement in their structure, economic mechanism, etc. Thus, at the present time the associations are not normally supplied with a sufficiently broad concentration of ancillary production. For example, the "Soyuzteatrprom" unites only part of the ancillary production of the theatrical and show enterprises. The enterprises of republic Ministries of Culture and work, which is connected with the creation of scenery, costumes and other props for theatrical and show enterprises whose production is at the present time concentrated in the workshops of

theaters, houses of culture, etc., and which is usually carried out by hand, remain outside the limits of its activity.

The need has also matured to improve the economic bonds between the individual links of the associations, to strengthen cost accounting principles in their interrelationships, and to regulate their financial mechanism.

When creating composite factories (combines), it is necessary to pay special attention to the structure of the services being combined. When forming the structure, it is necessary to take into consideration the social and economic factors for a growth in savings. By finding the optimum structure for the production of services, it is possible to achieve not only self-repayment but also the profitability of the complexes being formed. By combining types of activity which are similar in their consumer characteristics but different in their profitability level, these enterprises can insure expanded production by all the complex's subunits through the intra-branch redistribution of profits between the types of services and operations. There is no doubt that this is primarily connected with the development of services which provide high profits. In this regard, however, one should not forget that under modern conditions production results are determined to a significant degree by social factors. Despite the fact that services which have a large social importance are provided to the population free or at reduced prices, they--as the work experience of composite enterprises has shown--contribute to an increase in their profits. The operating results of parks of culture and rest (PKiO) can serve as a graphic example of this.

In those parks of culture and rest where the optimum combination of expenditures for amusement (highly profitable) and mass cultural and indoctrinational measures (those which do not bring any profit) has been assured, income exceeds expenses and brings considerable profit. Thus, those, whose total expenditures for both types of measures are approximately equal, are operating profitably among Moscow's parks of culture and rest. A deviation in this or that direction is accompanied by a worsening in the economic results of the parks' activity. This is caused by the fact that mass cultural and enlightenment work increases the stream of people into the parks and thereby expands the contingent of users of paid services and, consequently, insures an increase in income also.

An important place belongs to the exposure and use of intra-factory reserves for decreasing the cost of services. The determination of the basic directions for lowering the costs of services directly in enterprises of the non-production area depends to a considerable degree on the specific nature of the production of this or that type of service and on the structure of the expenditures for providing it. It is possible to achieve the greatest effect in decreasing the costs of services by decreasing the expenditures on the items which predominate in the overall expenditures for services since each percent of savings in expenditures for this or that item involves a decrease in the cost of services by a magnitude which corresponds to its proportion in these expenditures.

At the same time, when exposing intra-factory reserves for decreasing the costs of services, it is necessary to remember the specific nature of this economic subunit. For example, the predominance of expenditures for enterprise workers' wages in the costs is the most characteristic feature for non-production branches in the service area. However, opportunities for decreasing costs through savings in the wage fund are limited in this area. This is caused by the fact that, first, the quality of work in the majority of service area subunits depends a great deal on the number of service personnel; decreasing it, as a rule, leads to a worsening in the services for the population. Second, a standard system of wages which has been constructed using the quality references of the workers and the volume of functions being performed by them predominates. Third, the opportunity for increasing labor productivity by industrializing production is extremely small.

Under these conditions, the effective use of personnel seems the basic direction for savings in the wage fund. It is acquiring especially important significance in light of the decision of the 26th CPSU Congress: "It is also necessary to pay attention to the more effective use of labor in the non-production area" (1, p 108).

At the present time, work norms have not been established for many types of creative work -- and this prevails in the branches of the service area -- and the loading of artistic and artistic director personnel is restricted to the protected norms of their creative activity in some of its subunits, for example, in theatrical and show enterprises. This circumstance often leads to the underutilization of artistic personnel and this inflicts not only economic but also moral damage on the collective of the enterprises and on its individual members. The alignment of the number of workers with the requirements for them is connected with improving the norm setting for labor, on the one hand, and with planning the repertoire of the theatrical and show enterprises, on the other hand.

Strictly prescribed output norms, whose non-performance leads to a decrease in the staff of enterprises or to a lowering in the wage level of their workers, have been introduced into a number of branches in the non-production area which are similar in the nature of their activity to theatrical and show enterprises. For example, pedagogical work is no less emotional and requires no less physical and spiritual return than the activity of an actor or producer and an ideological and indoctrinational work trend is the attribute of any pedagogical activity. However, strict norms have been set for an instructor's load. The staffing of teaching personnel is carried out based on the number of hours provided for by the curriculum. In connection with this, the practice of inviting instructors for part pay (a half or a quarter of the pay rate, pay by the hour) is widely being used here.

The introduction of scientifically sound employment norms for artistic and artistic management personnel will contribute to optimizing the quantitative and qualitative composition of creative workers in theatrical and show enterprises and will reveal broad opportunities for their rational use. When developing scientifically sound output norms for artistic and artistic

management personnel, the protected norms presently in effect can be placed at the basis of the obligatory norms. However, they should be tied to time norms, which are expressed in hours, and qualitatively sound.

When planning the repertoire, just as when selecting personnel, the coordination of these two components should be assured. In the event a lack of balance -- a surplus or shortage of artistic personnel -- is formed, its composition can be optimized by involving or allotting permanent or temporary work to the artistic forces.

An important place among the reserves for lowering the costs of services belongs to material incentives. Under the conditions of the standard wage system for workers in the majority of the subunits of the non-production branches, a bonus can be used as a special material incentive. An analysis of the raising and distribution of material incentive funds in cost-accounting enterprises in the non-production area has shown that a bonus does not stimulate a decrease in the cost of services at the present time. This is confirmed by the following facts. First, the primary source and fund-generation factor here is profit over and above the plan or a decrease in the planned losses. This mainly stimulates the enterprise workers to increase the amount of profit which can be achieved by overstating the planned expenditures, underutilizing the resources for not very profitable measures, etc. For example, the total of the resources, which were received by USSR Ministry of Culture theaters from decreasing projected losses, grew by almost a third in 1980 when compared to 1978. This occurred with a growth in the cost of services and an increase in the size of the theaters' planned subsidies of 7.4 percent and 18 percent, respectively (calculated based on (6; 7)).

Second, the size of a bonus, especially in enterprises which have not been shifted to the new planning and economic motivation conditions, is relatively small. In a majority of the cost-accounting enterprises in the non-production area, it does not exceed three-five percent with respect to the wage fund.

And third, when raising and distributing bonus funds, the indicators that stimulate a decrease in the cost of services are, as a rule not taken into consideration.

The main condition for forming a material incentive fund is the carrying out of the plan according to the main social and economic indicators of the enterprises, and its fund-generation factors are the indicators which describe the results of their economic activity.

Along with the fund-generation indicators that are common for all non-production branches in the service area, special-purpose indicators, which are aimed at stimulating the developmental growth of some indicator that is very important during the present stage, can be used in each branch group of enterprises depending on the specific nature of their activity and the tasks assigned to them. At the present time, for example, a growth in the share of service sales to the population within the overall volume of sales is such an indicator

for consumer services enterprises with a volume of consumer services to the population of less than 85 percent. The introduction of this indicator has evoked the necessity to stimulate a growth in the services which are being performed in accordance with individual orders of the population.

For example, attendance in auditoriums, which significantly lags behind their commercial capacity at the present time, could be used as a special purpose indicator for theatrical and show enterprises. The possibility of using this indicator as a fund-generation one has been pointed out by a number of Soviet scientists (15).

In individual branches in the non-production sphere whose enterprises have been shifted to the new planning and economic stimulation conditions, a number of other economic indicators are already being used now in the generation of a material incentive fund: in circuses -- the receipts of an enterprise towards whose stimulation 30 percent of the overall total of the material incentive fund is being directed; in personal services -- the volume of sales of personal services to the population for whose every point of exceeding the planned quota the deduction norms for the material incentive fund is increased by two percent, and the proportion of the volume of sales of consumer services to the population within the overall volume of sales of services and products for which, just as for the growth in the overall total of balanced profits, the deduction norm for the material incentive fund is increased by one percent.

The methods, which are being used in enterprises that have shifted to the new planning and economic stimulation conditions, for generating and disseminating material incentive funds under the conditions of comparatively high payments from them have led to positive results. Service area enterprises, which have shifted to the new management conditions, are usually profitable while the others are unprofitable. This situation also exists within the framework of a single type of services. In consumer services, big as it is, part of the enterprises were originally shifted to the new planning and economic stimulation conditions. The level of their profitability under the new management conditions reached 13.9 percent while the enterprises, which were not shifted to the new management conditions, were unprofitable (minus 14.9 percent) with an average profitability of enterprises in the RSFSR consumer services branch of 10.2 percent (8).

In connection with this, the shift of all cost-accounting enterprises in the non-productive branches of the service area to the new planning and economic stimulation conditions is acquiring special importance. This solution to the problem completely corresponds with the instructions of the 26th CPSU Congress: "Ministries and departments and management directors must persistently struggle for the full realization of the measures, which have been developed, and for the successful shift of associations and enterprises to the new management conditions. Sluggishness and passivity in this work can in no way be justified" (1, p 124).

The bonus must also be provided depending on the decreased cost indicator. For this, the decreased cost indicator for services must be included in the

fund-generation ones and the size of the bonus must motivate workers to accept the strenuous tasks for this indicator and to fulfill it. This will permit the role of costs to be reestablished in evaluating the activity and motivation of enterprise collectives in solving the most important social and economic tasks which have been assigned to branches in the non-production area.

Table 4. Generation of a Material Incentive Fund From Three Fund-Generation Indicators (the figures are conditional)

Fund-Generation Indicators	Planning Indicators	Plan Fulfillment
Receipts (1000's of rubles)	100,000	100,500
Profit (1000's of rubles)	1,000	2,500
Cost decrease (1000's of rubles)	9,000	10,000
Total fund assets (1000's of rubles)	800*	1,201***
Including from:		
Receipts	240	241
Profits	240	600
Cost decrease	320	360
Deduction norms ** (%)		
From receipts	0.24	
From profit	24.0	
From cost decrease	3.6	

* Fund assets from each indicator are determined by multiplying the established material incentive fund asset total by the percentage of the assets directed toward stimulating its growth (decrease), for example, $800 \times 30\% = 240$.

** Deduction norms are determined based on the established material incentive fund asset total by dividing that part of the fund, which is generated by each of the indicators, into the appropriate planning value ($240 \div 100,000 = 0.24\%$).

*** The actual material incentive fund is determined by multiplying the indicators for fulfilling the plan by the appropriate deduction norm ($100,500 \times 0.24\% = 241$).

An example of calculating deduction norms and of generating a material incentive fund on their basis with the inclusion of the cost decrease indicator for services in the fund-generation ones is given in table 4. In this example, 30 percent of the material incentive fund is directed toward stimulating an increase in profits and receipts and 40 percent -- toward decreasing costs. In management practices, the correlation between these values -- just as the selection of the indicators themselves -- must be established in a differentiated manner for each branch or group of enterprises in accordance with the social and economic tasks which have been assigned to them.

A savings in production material resources serves as a reserve of no small importance in decreasing the costs of services especially in enterprises where expenditures for material production factors occupy a significant share. The rational use of material production factors in the service area, especially in its non-production branches, is expressed first of all in the optimum use of its fixed capital: production areas, equipment, scenery, etc.

When demand exceeds supply, the rational use of production funds in the service area is assured by increasing the shift system coefficient of the enterprises' work, travelling services of the population, etc. In those cases where supply determines demand, the leasing or hiring of premises, equipment and stock can be used more widely. In that case, the expansion of the economic ties of service area enterprises with other enterprises, establishments and organizations regarding the sale of services and products, for example, the organization of special plays, concerts, etc., using enterprise assets; and the sale to them of costumes, props, scenery, and other theatrical props, etc., by written order could play a positive role.

The restrictions, which exist at the present time in a number of service area subunits in implementing economic ties between service area enterprises and other enterprises, establishments and organizations infringe upon the interests of enterprises as cost-accounting economic links and narrow the limits for using the economic mechanism for a growth in savings and for an increase in the effectiveness of non-production area enterprise activity.

Thus, decreasing costs in the non-production branches of the service area is connected with improving the mechanism for forming expenditures for services, with increasing the role of this indicator in evaluating the activity and motivation of production collectives, with strengthening the economic mechanism of the enterprises, and with the all-possible use of national economic, branch and intra-production reserves for decreasing the costs of providing services.

FOOTNOTES

1. High prices are based on the full cost price of services and the profits required to implement expanded production; low ones only reflect part of the cost price of services.
2. In this case, we have in mind the country's natural and climatic zones.
3. Thus, in 1981 attendance in USSR Ministry of Culture theater auditoriums for evening performances was (as a percentage of the number of seats in the auditorium) 71 percent, and in separate theaters, for example, the opera and ballet theaters of the Azerbaijan SSR and the Armenian SSR 29.3 and 28.6 percent, respectively (5, p26).

4. In this regard, producer G. A. Tovstonogov's statement in the article "The Paradox of the Viewer" is interesting: "The misfortune and bad luck of the theater is the pursuit of cash ... this approach gives birth to entertainment of a low type. At times, it enjoys success among the aesthetically backward part of the public, but this success is not lasting ... retribution will come later on. It will come ... from that same auditorium" (16).
5. For example, the following performance norms, whose exceeding is not permitted, have been established for dramatic actors by the 7 May 1957 USSR Ministry of Culture order "On the Performance Norms for Actors in Plays and Staging Norms for Artistic Directing Personnel": for actors in the highest category -- no more than 16 performances a month, in the first category -- no more than 20, in the second -- no more than 23, and in the third -- no more than 25 (13).
6. Let us point out that prior to 1957 obligatory performance norms were in effect in theatrical and show enterprises; true, they -- just as the protected norms -- were expressed not in hours but in number of shows.
7. Of course, strict norms cannot be set for the work of a certain circle of creative workers (writers, composers, artists, scholars, etc.); however, even here it is possible to take into consideration the degree of their creative return when paying for their work.

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HOUSING AND PERSONAL SERVICES

PROBLEM OF RAISING UZBEK LIVING STANDARD ADDRESSED

Tashkent OBSHCHESTVENNYYE NAUKI V UZBEKISTANE in Russian No 1, Jan 83 pp 11-16

[Article by T. U. Abdullayev: "The Problem of Developing a New Living Standard for the Uzbek SSR Population"]

[Text] It is pointed out in the materials of the 26th CPSU Congress that "during the 11th Five-Year Plan and the Eighties, the party has in general proposed a broad program to further improve the people's well-being. This program embraces the improving of all aspects of the Soviet people's life -- consumption and housing, culture and rest, and living conditions".

The republic's party and soviet bodies are attaching enormous importance to the problem of consolidating the new living conditions of Uzbekistan's city and village workers. Sh. R. Rashidov has pointed out: "The providing of workers with housing and the construction of social and cultural living items is a very important social and economic problem".

In our opinion, the process of further improving living conditions and living relationships is taking place along three main and determining directions:

1. Further developing and improving individual housekeeping, providing for the consistent and planned easing of work that is connected with domestic requirements, decreasing expenditures of time by expanding the mechanization of everyday services more and more and by using various household equipment operated by electricity; using household chemicals on a broad basis, rationalizing housing, adapting it to specific geographical and climatic zones and the traditional way of life of the local population; bringing together the levels of urban and rural living standards in the sense of using systems and appliances that provide for the rationalization and industrialization of the tenor of life; further internationalizing living conditions by providing a common level of conveniences; consistently incorporating into life cultural, hygienic and sanitary habits that contribute to insuring the population's health and longevity, maternity and infant protection, cultural leisure time, and the struggle against such vestigial phenomena as drunkenness, smoking and other harmful habits.

2. Expanding and continuously improving the public service area and also incorporating collective forms for satisfying living requirements, struggling against a purely consumer attitude toward life and the cult of things and acquisitiveness, further developing the progressive tendencies in the socialist way of life, reasonably and thoughtfully combining the national and international elements in life considering the actual situation, traditions and customs of the specific republics.

3. Insuring a further improvement in the distribution of family responsibilities in the area of the everyday services through which there is a strengthening of the school and non-school forms for indoctrinating youth and preparing them for the conditions of family life with its domestic aspect; carrying out steps that are aimed at finally eliminating the remaining notions about the position of the woman in the family as the performer of household functions; continuing the work to expand international traditions in life, insuring the development of new and progressive habits, and also expanding sports and physical training at the place where people live -- especially in the rural area.

Under socialism, working and living factors are interwoven with each other into one system, and it is possible to state with complete justification that harmony between working and living conditions is a dependable reserve for raising labor productivity and the work activity of the population. You see, even in the production area the individual does not part with problems concerning the organization of his life. Here is only one example. On the virgin lands of Dzhezak, Surkhan-Darya and Kashka-Darya Oblasts, good housing conditions were offered to the new settlers, but the tractor operators, for example, experienced difficulties during the field work, finding themselves in an open tractor cab into which a great deal of dust got and where the temperature was extremely high during the summer time. Field camps were not set up. This had a negative effect on the work and caused fluctuations in manpower. The introduction of closed tractor cabs and then of cabs with air conditioners and the setting up of field camps radically changed the situation. This contributed both to a growth in the machine operators work activity and to the improving of their desire to consolidate the new living conditions.

The formation of new village living conditions assumes the conversion of agricultural work into a variety of industrial work. As a result of this, the rates of social, economical and technical progress are accelerating, labor productivity is growing and its creative principles are being strengthened.

In the final analysis, it is work which emerges as the basis and the cementing principle of all the components in a socialist way of life. It also serves as the basic factor in consolidating the new morals, ethics, aesthetic ideas, and value orientations. Under the conditions of socialist production, there exists the consistent instilling of a communist attitude toward work, and the transformation of living conditions on communist principles takes place on this basis.

At the same time, the work activity of an individual is intensified with an improvement in his living conditions. Thus, real bonds exist between socially

useful work and the area of family and domestic relationships. "The more productive labor is, the more comfortable living is" -- such is the internal logic of this connection. The increase in the requirements on the work qualifications, knowledge and abilities of a worker; on work standards; and on his creative and intellectual potential -- which is characteristic of socialist labor -- evokes in city and village workers the requirement to improve their cultural level and the desire to obtain a special education. In agriculture, the use of different machines is occupying an ever larger place and the cadres of machine operators, whose cultural and technical level is gradually approximating the level of the rural intelligentsia, are growing. Cultural enlightenment work and the development of public education are no less important for the spiritual development of the peasants.

With each year, manual labor and labor, which does not require high qualifications, are occupying an ever smaller place both under urban and under rural conditions. In Uzbekistan where no major changes in agriculture have occurred practically for centuries, the most modern agricultural equipment is now functioning, a tremendous pool of machines is being operated, electricity is widely being used in agricultural production, and the level of its chemicalization is growing. Radio, television, books, newspapers, clubs, and the movies have become a solid part of village life, and extensive lecture propaganda is being conducted. The most modern medical help is accessible not only to urban but also to rural inhabitants and endemic diseases are being eliminated.

As public funds are accumulated, ever larger resources are being expended for cultural and domestic purposes, and the action of the material blessings, which are being given by the state, is being felt in the life of each Soviet family.

By participating in the collective process to create material and spiritual blessings, the workers are not only transforming the conditions of their existence and strengthening the material and spiritual foundations of the social system; they are also, figuratively speaking, creating themselves -- imbued with a socialist consciousness, they are changing internally.

The further improvement of women's role in all areas of society's economic, social, political, and cultural life and the struggle against the remnants of the actual inequality of women in life have exceptionally important significance in consolidating the new living conditions.

Thanks to extensive and purposeful professional and technical training, Soviet women are mastering complicated specialties and professions.

The growth of female machine operator personnel and firstclass production workers and the promotion of female specialists and activists to leading work positions are also having a large effect in reforming the psychology of the villagers. The same thing can be said about the female teacher, doctor, agronomist etc. A great deal of work has been done in this direction during

recent decades, but it is impossible to consider that, which has been done, as being sufficient. Thus, there are still not enough Uzbek girls being sent -- especially from the rural "interior" -- to the preparatory departments of Uzbekistan's VUZ. The dropping out from school of senior class students because of early marriages has still not been overcome. The opportunities to train machine operator personnel from Uzbek girls are still far from being sufficiently used on all kolkhozes.

It is necessary to use female personnel more widely in Komsomol, cultural and enlightenment work; in organizing kolkhoz trade and the activity of consumer cooperatives; etc.

The introduction of new living conditions is an exceptionally complicated and multifaceted process which requires the consistent and planned carrying out of a scientifically based series of measures.

Take, for example, housing construction. It is now taking place on large scales using rational and modern designs. The following, however, is often observed. Houses are built and occupied, but all the other conditions, which insure the material bases of the new living conditions, are absent to a considerable degree. The new settlers at times find themselves in less favorable living conditions than in the areas of their old settlement. In a number of places, there are no rural Houses of Culture, no movie theaters, no modern kindergartens, no personal services establishments, etc. In addition, the school, hospital and other institutions are at times further from the new location of the settlement than they were before. In a number of cases, the irrigation network has not been brought to the new houses, the surrounding territory has not been planted with trees and shrubs, etc. This, of course, does not create real conditions for introducing a new way of life.

One of the distinctive aspects of rural life is the fact that it includes elements of production activity. The subsidiary farming has important significance. From this comes the necessity to provide each rural family with modern work implements to till the subsidiary farms. This equipment must be small in size, reasonable in price, and at the same time capable of reorganizing the entire cycle of agricultural work on the personal plots in the direction of decreasing in every way possible heavy and non-productive manual labor. The collection of these implements must be different for the different regions. This is determined by the peculiarities of the agricultural crops which are being grown in that zone. Thus, a micro-tractor and a set of mountings for it have already been created, but in doing this the conditions of Russia's central zone were taken into account. Mounted implements of a different type are required for Uzbekistan. An increase in the production of these tractors, their sale on credit, the development of collective farms for using them, and the creation of conditions for the organized repair of agricultural implements which belong to the personal plots -- these are urgent tasks which are directly connected with the further development of rural life. The task of fodder production for the villagers' subsidiary farms is also an urgent one under the conditions of Uzbekistan. All these problems are acquiring even greater urgency in light of the decisions

of the May and November 1982 CPSU Central Committee Plenums and the corresponding plenums of the Uzbek Communist Party Central Committee.

In this connection, the search for the optimum solution to the question of harmoniously combining the rural population's production activity with work on the personal plots is becoming one of the serious tasks of workers on the theoretical front and of practical workers. The successes in realizing the Food Program and the introduction of new living conditions into the village depend to a considerable degree on its correct solution. The importance of strengthening and developing contractual relationships between the producers of agricultural products and the consumer cooperatives, the purchasing organizations, is also evident. The kolkhoz member or sovkhoz worker, who realizes a surplus in the products of his personal plot in accordance with a contract with a purchasing organization, is saved from all the negative aspects which his direct trading in the market involves. Therefore, it is necessary to expand the system, which has justified itself, of allocating definite privileges and advantages to the suppliers of agricultural products. This is also important with respect to increasing the delivery of food items to the trade network and for strengthening the bonds between the city and the village, between the private and the cooperative -- and also the state--sectors. The system of well organized purchasing measures is emerging as an effective factor in improving the socialist way of life of the modern village.

It is known that social life, whose structure includes the entire sphere of social and cultural living conditions, is emerging as the leading form for the tenor of life. In this connection, questions concerning the training of highly qualified personnel in the cultural and enlightenment sector and personal services -- personnel who not only have high professional training but who are also capable of actively instilling the best tastes, traditions and habits in the republic's inhabitants and who are emerging as the bearers and conductors of the new living conditions -- are acquiring special importance.

All the work of consolidating the new living conditions must take place on the basis of scientifically sound, composite and social planning. Definite experience in developing and realizing this has been acquired in our republic in the form of plans for the social and economic development of the cities, rayons and production collectives, including the village.

The system approach, which provides an opportunity to compile multi-profile and special purpose programs, occupies a special place in this work. Under developed socialism, such complicated phenomena of social life, which were not foreseen in the recent past, as consumer demand, the demographic aspects that are connected with the migration of the population, the need for personnel in the remote future, the material support of life, the prospects for the family's development, questions concerning the composite indoctrination of youth, etc., have begun to be subjected to planned improvement. Program special purpose planning permits the possible social consequences of the scientific and technical revolution not only for the country as a whole but also for its individual regions and its influence on the economy's

infrastructure, and through it -- on the other aspects of social and economic life, including on the strengthening of the material and spiritual bases of the new living conditions, to be foreseen.

In the complex social and economic planning practices, the important circumstance that each inhabitant plays a different role function in the residential sector than in production -- he plays the role of an individual who is carrying out his life functions, has begun to be considered. However, whereas this function is combined with the main -- the production-- function for members of work collectives, it is the only and to some degree the determining one of their living conditions for a considerable part of the inhabitants in a given population center (pensioners, children, etc.).

The improvement of personal services must satisfy to an equal degree all population groups in the republic. A thorough study of the specifics of a given urban or rural locality is necessary in order to insure rational planning of the living area, in particular personal services. Take for example, the cities of Uzbekistan. Among them, there are those which have a demographic infrastructure which took shape long ago -- for example, Kokand, Chust, Bukhara, etc. The requirement for a traditional number of cultural and personal services establishments, kindergartens, nurseries, etc., is characteristic of them. However, there are also cities of a different type: Navoi, Zarafshan and other new population centers with a significant number of young people and with migratory trends. It is clear that the construction norms, for example, for children's establishments for these two types of cities are completely different as the requirement for youth hostels, dining halls, youth cafes, hired places, etc., is different.

Further improvement of the socialist way of life assumes the purposeful formation of human wants, their consistent improvement, the expansion of their sphere of action, and the elevation of a person's needs. The dominating role of the material factor in the work, social and political activity of people is insured by combining it with spiritual and cultural interests. As E. Ye. Pisarenko and S. G. Strumilin rightfully point out, "The specific nature³ of human wants is determined primarily by work, by the entire way of life". In this regard, the scientific organization of life depends in no small degree on the maturity of human relationships in all spheres of social life. It is they that prevent a purely consumer and non-spiritual passion for things for reasons of "prestige" and that inspire people to improve their cultural level and professional qualifications. The higher that the intellectual development of an individual is and the richer that his inner world is, the larger will the role be for him that is played by the opportunity to satisfy his spiritual and social wants. The struggle against such negative phenomena as drunkenness, parasitism, etc., is being waged especially successfully in those production and territorial collectives where favorable conditions for satisfying the workers' cultural and spiritual needs, for forming new needs and habits and for improving the living standards of the population are being provided.

Domestic information and commercial advertising have been called upon to play an important role in the correct formation and improvement of the people's

cultural and living wants. Thus, the experience of Tashkent, Samarkand and Andizhanskiy stores within the central department store system and other progressive commercial enterprises, which are introducing demonstrations in all departments selling domestic goods, has shown that well presented information contributes to increasing the demand for many cultural, domestic and household goods.

In the struggle for a communist way of life, the concern of the inhabitants themselves for the preservation of housing assets and for the timely performance of repairs to quarters plays a special role. In Uzbekistan's cities and rayons, the movement to create communist way-of-life houses is being expanded and the socialist competition of individual houses, housing offices and rayons for the condition of housing assets, their repair and the equipping of sports areas; for the state of places for the inhabitant's cultural rest; for working with children and teenagers on social principles; etc., is being organized on the basis of concrete indicators. Many pensioners -- former production workers and representatives of the intelligentsia-- are actively contributing to the development of the new way of life. They are directing children's artistic and technical creativity circles, sports sections, amateur circles, puppet theaters, and fine arts studios which have been created at housing operation offices and children's clubs. Old communists and war and work veterans are emerging as the pioneers of these initiatives. The all possible socialization of life and the strengthening of the multifaceted social contacts in residences, which are connected not only with the narrowly understood everyday wants but also with broad cultural and living intercourse, are contributing to the process of furthering the "spiritualization" of life, its intellectualization and improvement. It is necessary to single out the improvement of cultural and enlightenment work at residences: Readers' conferences; public debates on moral and aesthetic subjects; lectures; discussions; meetings with writers, musicians and artists; performances by amateur collectives; etc., are being conducted by community forces on a planned basis. The holding of family evenings, in which persons that work in one enterprise or that live in one microrayon participate, in Palaces and Houses of Culture in many of the republic's oblasts was an undertaking which promises a great deal. Meetings of workers with deputies to local soviets, during which the deputies report on their carrying out of the voters' instructions -- including questions concerning the improvement of living conditions, are a long-range form for stirring up the population in the struggle for the new way of life. The Makhallinskiy committees are playing a large role in constructing the new way of life.

Thus, the organization of public services and amenities for the Soviet peoples' way of life and its development into a communist one is taking place with the planned development of all its elements and forms. The main item in this process is the transition of the way of life to a scientific basis. This is creating the preconditions for a fuller consideration of the diversity of human wants and for their purposeful regulation in accordance with the Leninist policy of the CPSU to improve the Soviet people's prosperity and communist indoctrination.

FOOTNOTES

1. "Materialy XXVI s"yezda KPSU" [Materials on the 26th CPSU Congress], Moscow, 1981, p 44.
2. PRAVDA VOSTOKA. 27 April 1982.
3. E. Ye. Pisarenko and S. G. Strumilin, "The Socialist Way of Life: A Methodology for Research" in VOPROSY FILOSOFII, No 2, 1974, p 30.

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CONSUMPTION TRENDS AND POLICIES

MILK AND MEAT INDUSTRY OFFICIALS MEET

Moscow MOLOCHNAYA PROMYSHLENNOST' in Russian No 2, Feb 83 pp 3-6

[Article: "In the USSR Ministry of Meat and Dairy Industry"]

[Text] An enlarged session of the board of the USSR Ministry of the Meat and Dairy Industry took place on 17 December 1982 at which the question, "On the decisions of the November (1982) plenum of the CPSU Central Committee and the 7th session of the USSR Supreme Soviet, 10th convocation, and the tasks of the USSR meat and dairy industry for their accomplishment," was examined.

Taking part in the board's work were personnel of the Department of the Light and Food Industry of the CPSU Central Committee, the Administration of Affairs of the USSR Council of Ministers, Gosplan USSR, the Central Committee of the Food Industry Workers' Trade Union, the USSR Ministry of Trade, the Ministry of Light and Food Industry, the ministers of the meat and dairy industry of the union republics, the general directors of production associations, directors of individual enterprises, leaders of scientific research and planning institutes, and associates of the apparatus of the USSR and RSFSR Ministries of the Meat and Dairy Industries.

In the report of the Minister of the USSR Meat and Dairy Industry, S. F. Antonov, and the speeches of participants in the board's session, it was noted that, actively participating in the competition dedicated to the 60th anniversary of the USSR's formation, the collectives of many enterprises and associations as well as of a number of Ministries of the Meat and Dairy Industries of the Union Republics are successfully accomplishing planned assignments for the production and sale of products, the productivity of labor, and profit.

In carrying out the tasks assigned by the 26th CPSU Congress and the May (1982) plenum of the CPSU Central Committee on the realization of the Food Program, in 1982 the enterprises increased the output of animal oil, whole-milk products, fat raw materials, dry nonfat milk, whole-milk substitutes, prepared meats, and dry animal feed in comparison with 1981. In two years of the 11th Five-Year Plan the output of production increased by 2.7 billion rubles.

At the same time, the production-economic activity of the majority of Ministries of the Meat and Dairy Industries of the union republics, all-union industrial associations, enterprises, and organizations does not yet meet the requirements of the May and November (1982) plenums of the CPSU Central Committee.

The established plans and tasks for volume of production, many types of output, productivity of labor, profit, the introduction of new equipment and technology, capital construction, and other indices are not being accomplished. Losses of raw material and the output of poor-quality production are permitted at the enterprises, proper attention is not devoted to concern for improving the workers' labor and living conditions, and high demandingness is not displayed toward economic managers for the strictest observance of state and planning discipline. As a result of this, a reduction in the rates of growth in the productivity of labor and the output of a number of meat and dairy products has been permitted in comparison with the level attained in 1981. An especially great reduction in these indices has been permitted by enterprises of the Ministries of the Meat and Dairy Industry of the Ukrainian SSR, Kazakh SSR, Georgian SSR, Azerbaijan SSR, and Estonian SSR.

The board of the Ministry fully and completely approved and adopted as the combat program of action for all personnel of the industry the decree of the November (1982) plenum of the CPSU Central Committee, the propositions and conclusions set forth in the speech of the General Secretary of the CPSU Central Committee, Comrade Yu. V. Andropov, at the plenum, and the decisions of the 7th session of the USSR Supreme Soviet.

Being guided by the decisions of the November (1982) plenum of the CPSU Central Committee and the 7th session of the USSR Supreme Soviet, 10th convocation, the board recommended to the ministries of the union republics and managers of all-union industrial associations, scientific research and planning institutes, and other organizations of union subordination that they make a critical analysis of the results of the work for 1982, disclose the reasons for shortcomings present in the work of enterprises and organizations within their jurisdictions, and plan specific measures for their elimination. It was recommended to them that in their daily practical activity in implementing the indicated decisions they should:

- disclose and utilize all reserves which contribute to the accomplishment and overaccomplishment of tasks established for 1983 for the production of meat and dairy products and the improvement of their quality;

- strengthen state, labor, and performance discipline on each production sector and in all spheres of control, increase organization and efficiency in work, strengthen responsibility, and eradicate departmental parochialism and localism;

- make maximum use of available capabilities to increase the work efficiency of industry through the introduction of scientific-technical achievements, improvement of administrative activity, increasing the productivity of labor and strengthening the struggle against all types of losses and bad management, and accomplishment of tasks for economizing in material resources;

- improve matters in capital construction, increase the effectiveness of capital investments, substantially reduce volumes of uncompleted construction and the remains of uninstalled equipment and the concentration of material, labor, and financial resources at start-up installations in 1983 and create the necessary stockpile of semifinished products for putting capacities into operation in 1984, accomplish the plan for putting into operation housing resources, children's preschool installations, and cultural-domestic and medical facilities, and increase the volume of work for the technical reequipping and reconstruction of operating enterprises;

--increase the production of consumer goods, the demand for which is not being satisfied, thanks to the more complete use of local resources and production scrap;

--conclude contractual agreements in good time for planned volumes of purchases of livestock, poultry, and milk established for 1983 and accomplish the constant monitoring of their accomplishment;

--conduct active organizational work on disclosing additional raw material resources and raising the marketability and quality of the livestock products being purchased and bring these questions up for the consideration of the appropriate councils of agro-industrial associations;

--accomplish measures for the balanced supporting of enterprises with material-technical resources, their efficient and thrifty use, and the introduction of progressive forms of material-technical supply;

--implement the appropriate measures to improve the utilization of railroad cars and reduce their idling on sidings of enterprises and organizations within their jurisdiction to the established norms and render railroad transport assistance in every possible way in improving the utilization of rolling stock;

--increase the effectiveness of foreign economic ties and, first of all, expand and deepen collaboration with socialist countries;

--intensify the monitoring of implementation of the Soviet government's decisions, not permitting the submission, to higher organs, of new plans with the non-accomplishment of preceding decisions on the same questions, being strictly guided by available instructions concerning the fact that each new decision on the very same question should be adopted only in those cases where the preceding decision has been accomplished or some new circumstances arose.

It is recommended to the Ministries of the Meat and Dairy Industry of the union republics, all-union industrial associations, and other organizations of union subordination that they initiate organizational work everywhere on the development of socialist competition under the slogan, "Maximum high-quality output from each ton of raw material," raising the level of the scientific organization of labor and the work efficiency of the new type of production brigades, raising the productivity of labor at each work site, and on the broad introduction of measures for material and moral stimulation of individual workers as well as of labor collectives which have achieved high final results with the least expenditures.

The board called the attention of the ministers of the meat and dairy industry of the union republics, the chiefs of all-union industrial associations, and the managers of other enterprises and organizations to the strict carrying out of the instructions of the November (1982) plenum of the CPSU Central Committee to the effect that on the decisive sectors stand people who are politically mature, competent, with initiative, and possessing organizational abilities and a sense of the new, without which contemporary production cannot be successfully managed in our time.

The most important task of economic managers should be the accomplishment, jointly with party, trade union, and Komsomol organizations, of mass-political work which

is directed to seeing that each worker understands that the accomplishment of the plan also depends on his labor contribution and that everyone understands well the simple truth that the better we work, each one at his place, the better we will live.

The editors of branch journals MYASNAYA INDUSTRIYA SSSR [Meat Industry of the USSR], MOLOCHNAYA PROMYSHLENNOST' [Dairy Industry], and KHOLODIL'NAYA TEKHNIKA [Refrigerator Equipment] and TsNIIETImyasomolprom [Central Scientific Research Institute for Information and Technical-Economic Studies for the Meat and Dairy Industry] have been charged with ensuring the active propagandizing and dissemination of the best work experience of associations, enterprises, and organizations of the meat and dairy industry on the accomplishment of the tasks posed for the branch by the November (1982) plenum of the CPSU Central Committee.

The board, with consideration of the remarks and suggestions expressed at the session, approved a plan for practical actions of the USSR Ministry of the Meat and Dairy Industry for realizing the decisions of the November (1982) plenum of the CPSU Central Committee, the propositions and conclusions set forth in the speech of the General Secretary of the CPSU Central Committee, Comrade Yu. V. Andropov, and the laws approved by the session of the USSR Supreme Soviet concerning the USSR State Plan and State Budget for 1983, and obliged the members of the board and all managers and technical engineering personnel of the Ministry, Ministries of the Meat and Dairy Industry of the union republics, all-union associations, and other organizations having union subordination to implement specific measures for its accomplishment.

The board of the USSR Ministry of the Meat and Dairy Industry expressed confidence that the workers of industrial enterprises and sovkhozes, technical engineering personnel, and collectives of scientific research, planning-design, and other organizations of the branch are marking 1983 with new successes in the accomplishment of the decisions of the November (1982) plenum of the CPSU Central Committee and the tasks of the USSR Food Program for a further increase in the production of dairy and meat products and an improvement in their quality.

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CONSUMPTION TRENDS AND POLICIES

CAPITAL INVESTMENT IN CONSUMER GOODS INDUSTRY REVIEWED

Moscow SOVETSKAYA POTREBITEL'SKAYA KOOPERATSIYA in Russian No 1, Jan 83 pp 16-18

[Article by V. Sinyayev, member of the Board of the Central Union of Consumers' Cooperatives and chief of the Capital Construction Administration: "Use Capital Investments Efficiently"]

[Text] At the November (1982) CPSU Central Committee Plenum it was noted that in our country an immense amount of capital is being allocated for the development of the economy, the creation of new capacities and housing, cultural and general construction, as a result of which its efficient use is a task of exceptional importance.

The problem of the efficient use of capital investments is also very urgent in consumer cooperatives. Here the capital investments are being allocated first of all for the development and strengthening of the enterprises of the food complex. During 1983-1985 it is planned in the system to put into operation about 10,000 general-purpose receiving and procurement centers, fruit and vegetable storehouses for nearly 294,000 tons, refrigerators for 88,000 tons and bakeries with a capacity of 7,700 tons a day. During the 12th Five-Year Plan the scale of this work will increase significantly. Moreover, it is envisaged to create a network of procurement centers and facilities for the storage and processing of agricultural products in the vicinity of kolkhozes, sovkhozes, the private plots of citizens and orchard and garden cooperatives, as well as directly at kolkhozes and sovkhozes, which will make it possible to decrease considerably the transportation and losses of these products and to increase their quality.

In 1982 the construction of 30 sets of buildings (modules) made of light-weight metal components was begun for the increase of the amounts of purchases of agricultural products and the speeding up of the construction of enterprises for their processing and storage, it is planned to build 50 sets this year. Completely prefabricated buildings are also being used for the housing and organization of works for the production of food products, bread baking and consumer goods, which, undoubtedly, also contributes to the economical consumption of capital and materials and to the decrease of the expenditures of manpower.

Important measures are also being implemented on the expansion and efficient location of the network of trade enterprises and on their renovation and retooling for the purposes of creating the maximum conveniences for the population and increasing the standards of service. During the current five-year plan 2.7 million m² of

trade space, 1.8 million m² of general merchandise warehouses and public dining enterprises with seating for 225,000 have to be built and put into operation. Here the trade network in the cities and workers' settlements, which are serviced by consumer cooperatives, should be organized so as to ensure in the immediate future the continuous trade in a wide assortment of goods and the more complete meeting of the demand for them.

The realization of these plans depends on a number of factors, such as the improvement of the organization and management of capital construction, acceleration of the increase of the amounts of installed construction, the improvement of its planning and estimating, the more extensive use of light-weight components, the decrease of the materials-output ratio and cost of construction, the strengthening of the system of use of the brigade contract and the considerable increase of labor productivity.

For the purpose of concentrating capital and material and technical resources the Board of the Central Union of Consumers' Cooperatives last year approved a list of 100 important construction projects as priority start-up projects. The responsible officials of the Central Union of Consumers' Cooperatives, who are assigned to the construction projects, provide them with the necessary practical assistance. All these measures contributed to the fulfillment for the most part of the 1982 plans for the placement of fixed capital into operation, the assimilation of the limits of capital investments and construction and installation work, as well as other technical and economic indicators. A number of large projects were put into operation, including a bakery with a capacity of 39 tons a day in the settlement of Malaya Viska of Kirovograd Oblast, a brewery for 280,000 dal in the settlement of Barysh of Ulyanovsk Oblast, a fruit drink shop for 100,000 dal in the village of Chundzha of Alma-Ata Oblast and a trade warehouse with an area of 2,850 m² with a refrigerator capacity of 200 tons in the city of Aleksandria of the Latvian SSR.

The Ukrainian, Moldavian and Azerbaijan Unions of Consumers' Societies achieved the best results in capital construction. The Latvian and Tajik Unions of Consumers' Societies and a number of main administrations of the Central Union of Consumers' Cooperatives at the same time continue to lag behind in the fulfillment of the set plans.

The improvement of the technological structure of capital investments also serves the increase of the efficiency of capital construction. In 1982 541.5 million rubles--nearly 12 million rubles less than during the preceding year--were allocated for the passive portion of capital investments (construction and installation work). At the same time the proportion of the investments in the active portion of the fixed capital--equipment, devices and machines--increased significantly. Such an approach to the matter made it possible to increase the share of the assets being allocated for the renovation and retooling of enterprises to 31 percent of all the expenditures on production construction. By the end of the five-year plan this share will come to 33-35 percent, while in 1981 it was equal to 26.7 percent.

The advantages of modernization are obvious: the assets being allocated for the renovation and retooling of operating enterprises are recovered, as a rule, three-fold more rapidly than in the case of the creation of similar production capacities by means of new construction. In the case of the modernization of such work the need for manpower also decreases. And still some unions of consumers' societies are not devoting proper attention to the updating and improvement of the available capital and are attempting to solve the problems of the development of sectors mainly by

means of new construction. It is necessary to change radically such an attitude toward the important matter. The modernization of operating fixed production capital should become the leading direction in the development and improvement of the cooperative sector.

The construction at bakeries of installations for the bulk storage of flour, the replacement of obsolete technological equipment at canneries, the expansion of the lager fermenting shops at breweries, the installation of an active ventilation system at vegetable and potato storehouses and other measures, which make it possible with small outlays to obtain an effective increase of the capacities, are envisaged for the accomplishment of these tasks.

The advantages of the renovation and retooling of operating enterprises over new construction should be ensured first of all by the replacement of the active components of the fixed capital. One must not permit such a situation, when in practice new construction is carried out under the guise of renovation. The building of new enterprises and the expansion of operating ones can be permitted only if it is impossible to ensure an increase of the amounts of economic activity by means of their modernization. It must be constantly remembered that the intensive means of expanded reproduction is the most important condition of the increase of the effectiveness of capital investments. Only in this way is it possible to limit the front of construction and to put production capacities and projects into operation more rapidly.

The increase of the economic effectiveness of the use of capital investments to a great extent depends on the development and qualitative improvement of the material and technical base of construction. At present in the consumer cooperatives there are 26 trusts, more than 100 construction and construction and installation administrations and 160 mobile mechanized columns. They perform 65 percent of the total amount of construction and installation work.

Repair and construction administrations are also being created in the unions of consumers' societies. Along with capital repair they perform work on the renovation and retooling of facilities.

The creation of a network of construction organizations made it possible to achieve better results in the engineering preparation of the work being performed, the use of industrial decisions, the mechanization of labor and labor-consuming processes and the use of advanced methods in the organization of construction work. During the first half of 1982 318 brigades, which by the end of the first half of the year had performed construction and installation work worth 16 million rubles, or 9.5 percent of its total amount, worked according to the brigade contract method. The best indicators in the introduction of the brigade contract were achieved by the construction workers of the Lithuanian (49 percent), Moldavian (31 percent) and Latvian (28 percent) Unions of Consumers' Societies.

However, at many cooperative organizations this method is underrated and is being introduced extremely slowly. This applies first of all to the Belorussian, Kazakh, Tajik and Turkmen Unions of Consumers' Societies, in which work according to the brigade contract method is being performed within the range of 1.9-5.2 percent of its total amount. While in the Kirghiz Union of Consumers' Societies and in many oblast unions of consumers' societies of the RSFSR, Ukrainian, Uzbek and a number

of other unions of consumers' societies so far this work in practice has not been organized.

During the 11th Five-Year Plan great importance is being attached to the increase of the capacities of construction organizations, the strengthening of their production bases, the construction of new enterprises and the improvement of the operation of operating enterprises for the production of precast reinforced concrete components, construction materials, millwork and so on. For this purpose in 1980 in the Tsentrsoyuzproyekt [not further identified] an affiliate was organized in Urel, which engages in the drafting of procedural instructions and recommendations on the rationalization of the management of capital construction, the introduction of scientific and technical progress in this sector, the compilation of the model passport of construction organizations and enterprises of the construction industry for the identification of the reserves and the specification of the tasks on their further development, the preparation of standard and experimental plans of the production bases of construction organizations. The assistance being given by this affiliate and the existence of their own construction industry enterprises are enabling the unions of consumers' societies to produce more economical components and materials and to increase annually the amounts of work being performed by cooperative contracting organizations.

The completion of the certification of the largest construction industry enterprises of consumer cooperatives made it possible to begin the performance of work on the improvement of the use of the available capacities, the standardization of components and parts, as well as the introduction of the production of new types of components and materials, the increase of the plant readiness of the products being produced and the increase of the scale of the production of sets of buildings and structures for completely prefabricated construction.

A number of enterprises of the construction industry have assimilated the production of advanced components of series II-04 and II-04S, prestressed reinforced concrete components, reinforced concrete beams 12 m in length, items made from keramzit and lime concrete, arbolite and vermiculite, facing and decorative materials made from wood scraps and the quarrying of natural stone.

The number of construction workers in consumer cooperatives has now exceeded 106,000. Not only the increase of the level of the organization of construction work and its technical equipment, but also the extensive introduction of the job contract plus bonus wage, the improvement of the production and living conditions of the workers, concern about their occupational advancement and the organization of hot meals at the construction projects are promoting the attraction to the system and the attachment of staffs of construction workers. Since 1982 the managers and chief engineers of the construction organizations of consumer cooperatives have been undergoing training in courses at the Belorussian Intersectorial Institute for the Improvement of Skills.

As a result of the strengthening of the material and technical base of capital construction and the improvement of the work with personnel the production of precast reinforced concrete has reached 534,000 m³, bricks--189 million, ceramic facing tile--2.3 million m². It is necessary in the future to develop in every possible way the production of construction materials, especially reinforced concrete. The extensive use of precast reinforced concrete promotes the increase of the rate of

the industrialization of construction and makes it possible to increase its amount and to decrease the consumption of lumber, metal and brick and the use of manpower.

During the current five-year plan steps are being taken on the increase of the power-worker and machine-worker ratios of construction workers, the supply of construction organizations with efficient tools, accessories and implements and the decrease of the idle times of machines. For the purpose of the reduction of manual labor at construction projects and the better utilization of equipment the Board of the Central Union of Consumers' Cooperatives annually sets for the unions of consumers' societies assignments on the level of the mechanization of construction and installation work and on the output norms of excavators, bulldozers and tower and truck cranes. In conformity with the assignments the cooperative organizations are obliged to use the fleet of construction machines more efficiently, to improve their maintenance and to introduce new means of mechanization. These measures are called upon to increase the level of the mechanization of construction and installation work, to boost labor productivity sharply, to decrease the cost of construction and, as a result, to put the projects being built into operation in good time.

The timely provision of construction projects with high quality planning estimates is also of great importance. This was stressed once again at the recent All-Union Conference of Workers of Planning, Surveying and Scientific Research Organizations. Such a statement of the question is not by chance--there are still many shortcomings in designing. In the plans the latest achievements of science and technology and the advanced technology and organization of construction are not always taken into account, in other instances steps on the economical consumption of material resources are not envisaged, while some plans are inadequately coordinated with the long-range development of consumer cooperatives.

This is intolerable. For the effectiveness of capital investments, the improvement of the operating, architectural and construction qualities of buildings and structures, the timely placement of capacities and projects into operation and the fulfillment of other plan assignments to a considerable extent depend on the quality of design decisions. The main task of designers is the realization in the plans of advanced domestic and foreign know-how, so that the built or renovated enterprises would ensure the output of high quality products in conformity with the scientifically sound norms of the expenditures of labor, raw materials, materials and fuel and energy resources. The decree of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality" requires that the scientific, technical and economic level of designing be increased, it be carried out with the use of new technical equipment, the time for the drawing up of plans be shortened and the increasing amounts of capital construction be provided more completely with design documents without an increase of the number of workers of planning organizations.

When designing it is necessary to ensure the soundness of the decisions being made and to rule out the making of changes in the approved plans in the process of construction, especially changes which lead to excesses and the use of expensive materials. The unions of consumers' societies and planning and construction organizations should ensure the performance of work on the efficient decrease of the consumptions of materials and fuel and energy resources and should save annually 5,500-6,000 tons of metal, 28,000-29,000 tons of cement and 19,000-20,000 m³ of lumber.

For these purposes the planning institutes of consumer cooperatives have elaborated and revised in recent times 165 standard plans, as well as have selected modern plans prepared by state planning organizations, which has made it possible to build more than 90 percent of the projects in accordance with standard plans. A new list of standard plans for all sectors of cooperative activity has been prepared for the 11th five-year Plan. Thus, for the purpose of developing subsidiary farms more than 20 plans of facilities for livestock fattening and poultry raising have been included in the catalogue. Brief information on the plans is cited there.

The new basic document in the area of planning and estimating is in essence a bearer of scientific and technical progress in construction. In the certificates of the standard plans the areas of use of the plans are indicated, a description of the buildings and structures is given, the operating indicators, the labor expenditures on their fulfillment and diagrams of the layout and technical decisions are cited.

It should be emphasized that a policy of the retooling and renovation of operating enterprises has been adopted in the designing of projects of consumer cooperatives. This will make it possible to increase significantly the proportion of capital investments in the active portion of the fixed capital.

At the same time the degree of plant readiness of the products being produced is increasing. In particular, the plans of completely prefabricated stores and dining rooms, the sets of parts for which are being produced at the Sofrino Stroydetal' Plant, the Argayash Plant of Reinforced Concrete Items and a number of other enterprises, are being improved.

Calculations show that such rationalization of the structure of the quality of construction materials makes it possible to decrease their weight per unit of work by approximately 25-30 percent and, thus, to decrease considerably the weight of the building. The decrease of the weight of materials also has a favorable effect on the time, labor intensity and cost of construction. The decrease of the weight of a building, in turn, provides a broad work front for the utmost mechanization of construction and the increase of its quality, the improvement of the organization of construction work, the sharp increase of labor productivity and the decrease of the consumption of material, financial and manpower resources.

The changeover to the construction of light-weight, inexpensive, knockdown and, in some instances, movable buildings, primarily one-story buildings, is also characteristic of the present stage. Domestic and foreign experience attests to the great efficiency of such an approach to the creation of production areas. One of its merits consists in the fact that they are planned and built in 14-18 months. This decreases the possibilities of the obsolescence of the project when putting it into operation.

In many instances technical progress makes heavy products made of concrete unnecessary and brings into being other construction materials, which meet the new requirements and are made, in particular, from plastics and light-weight metal components. The use of components, which are easy to install and transport, greatly increases the zone of their introduction, especially in remote regions. Specialists have calculated that owing to the low capital-output ratio, low transportation costs, the optimum equipment and the flexibility of the flow charts such an enterprise will

be profitable without fail. Of course, small projects should be built wherever this is economically feasible. They should not replace large enterprises, but should basically augment them.

In fulfilling the decisions of the May and November (1982) CPSU Central Committee Plenums, the construction organizations of consumer cooperatives are directing their efforts at the effective use of capital investments and the speeding up of the placement of fixed capital and production capacities into operation.

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CONSUMPTION TRENDS AND POLICIES

MODEL FOR CONSUMPTION RATIONALIZATION DESCRIBED

Moscow IZVESTIYA AKADEMII NAUK SSSR: SERIYA EKONOMICHESKAYA in Russian No 6, Nov-Dec 83 pp 87-94

[Article by B. A. Solov'yev, L. M. Malkin and N. I. Ivashkova: "The Modeling of the Rationalization of Consumption"]

[Text] The article is devoted to the problem of modeling the rationalization of consumption. For this purpose the authors propose to use a standardized adaptation model, which makes it possible to examine the rationalization of consumption with allowance made for social standards, public priorities and the existing possibilities.

The 26th CPSU Congress, in continuing the policy elaborated by the party of increasing the standard of living of the Soviet people, outlined for the coming years an extensive program of the increase of the well-being of the people and social development. In accordance with this program along with the further development of the material bases of the meeting of the steadily increasing demands of the population and the improvement of the supply of the population with the most important goods, the active formation of the needs and interests of the individual as one of the important directions of the social policy of the party at the present stage is acquiring particular importance. The RATIONALIZATION OF CONSUMPTION [in italics] as the process of improving the structure of personal consumption is a concrete solution of this problem. The achievement of such a level of consumption, which meets the set of present social, physiological, economic, ideological and other requirements, is its goal.

The rationalization of consumption and the formation of the demand of the population, which is connected with it, are aimed at the accomplishment of a number of specific social and economic tasks. The social tasks are connected with the solution of the social problems of the increase of the well-being, the convergence of the levels of consumption of individual groups of the population, the development of the socialist way of life and so forth. The economic tasks have a direct bearing on the increase of the efficiency of social production.

The study of the problems of the rationalization of consumption presumes the elaboration of target indicators of consumption and a set of measures which are aimed at their achievement.

The standardized indicators of rational consumption are a quantitative expression and specification of the target indicators of consumption. The indicators of rational consumption, the elaboration of which has been carried out since 1969, are established on the basis of the existing present notions about the reasonable consumption of the corresponding consumer goods and therefore should be revised periodically. Each subsequent stage of the revision and elaboration of the standardized indicators of rational consumption contributes to the improvement of the methodology of research in this area.

The measures in the area of the improvement of the planning and management of the production of consumer goods, the pursuit of the corresponding policy of income and prices, the improvement of the organizational forms and methods of trade, the implementation of a set of educational measures, the assurance of the optimum combination in the development of the forms and means of the meeting of needs and so on to a decisive extent serve as a program of the achievement of the target indicators of consumption. The shift from the study and prediction of demand to the active influencing of its development will be a qualitatively new feature.

The methodological basis of the elaboration of the problem of rationalizing consumption is the goal program approach. The implementation of its principles presumes the distinction as objects of study of individual spheres of consumption--consumer complexes, within which the problems of the consumption of goods and services should be solved comprehensively. The consumer complex is the set of material goods and services, which have been aggregated according to the functional attribute and serve the meeting of a specific socioeconomic need (for example, for the facilitation of labor in the household, for the improvement of the relaxation of the population, for travel).

The adoption of consumer complexes as objects of study is due to a number of circumstances.

1. The study of the dynamics of the consumption of consumer goods, which are taken separately, is inadequate, they must be studied in their interrelationship, since a characteristic trait of the development and meeting of the needs of the population is completeness.
2. The elaboration of target indicators of consumption should be based on the study of the objective laws of the development of socioeconomic needs themselves, as well as the forms and means of meeting them, where each component of rational consumption should correspond to all the remaining components.
3. The settlement of the question of the means and conditions of movement in the direction of a rational structure of consumption also requires the comprehensive study of the aggregated commodity groups which serve the meeting of a specific socioeconomic need.

The transition from the isolated study of the needs and the demand of the population for individual goods to the study of the problems of consumption, including the problems of the rationalization of consumption according to consumer complexes, is a natural and objective process.

The coordination of the goals with the resources is a characteristic trait of the goal program approach. As applied to the problem of the rationalization of consumption the observance of this principle consists in the need for the coordination of the goal and resource aspects of consumption when determining the possible means and conditions of the achievement of the target indicators of consumption.

In this connection the task of modeling the paths of the achievement of the standardized indicators of rational consumption arises. The prediction of consumption in this case should be subordinate to the idea of the achievement of a rational structure of consumption in the complex and should contain a set of alternatives of the development of consumption subject to the specific economic conditions.

One of the possible approaches to the solution of the problem of modeling the rationalization of consumption is the construction of a standardized adaptation model. Such an approach is based on the need to examine the rationalization of consumption with allowance made for social standards, public priorities and the existing possibilities. Thus, the increase of the supply with individual goods within an entire consumer complex is a function of the achieved level of consumption, the standard of rational supply and the evaluation of the relative importance of the achievement of this standard in the overall system of standards of the complex. Here the anticipated expenditures of the population, which are connected with the purchase of this good, and the planned marketable stocks during the period being forecast act as limitations.

The relative urgency of consumer goods is an important feature which influences the rate of achievement of a rational level of consumption. By the urgency of consumer goods we understand the comparative degree of their necessary, the degree of social preferableness in the meeting of the corresponding need. For the goods of the consumer complex it is expressed in terms of the evaluations of relative importance. The above-indicated evaluations were determined in an expert manner during the ranking of goals. A normalizing limitation was introduced when assigning the coefficients of the evaluations of relative importance. The introduction in the model of the evaluations of relative importance ensures the consideration of the structure of the interrelations and the importance of the components of the consumer complex, which makes it possible to determine the directions and optimum proportions of the meeting of the needs for the goods of a specific consumer complex.

The proposed model is a multistage dynamic model. The opportunity to identify the factor, which checks the balanced, proportionate movement toward a rational structure of consumption, appears at each stage of the calculation.

Such an approach takes into account the interrelationship and interdependence of the solution of the problems of the rationalization of consumption and the balance between demand and supply, since each subsequent step of the movement toward a rational level takes into account the real commodity resources and the monetary means of the consumers.

The proposed model of the evolution of the structure of consumption within the consumer complex is based on the combination of two mutually complementary approaches to forecasting--the goal and adaptation approaches. The introduction in the model of the standardized indicators of rational consumption and the evaluations of relative importance ensures the consistency of aim of the model. The adaptation

approach is based on the need for the consideration in the process being forecast of specific economic conditions and planning decisions. For the consideration of these features the actual level of consumption of the goods being studied, as well as the data, which characterize the gap between the standardized and actual level of consumption, are introduced in the model being described. The path of movement toward a rational structure of consumption is calculated with allowance made for the real volumes of production of the corresponding consumer goods and the disposable income of the population.

The model of the consumer complex, which is being described, is based on the following basic premises.

A. The structure of consumption in the consumer complex being studied characterizes the proportions of the consumption of the goods belonging to the complex, and these proportions change in time.

B. It is postulated that during short intervals of time (not more than a year) the rate of increase of the need for any good of the complex is proportionate to the difference between the standard and the already achieved level of supply with a proportionality coefficient which is equal to the evaluations of the relative importance of this good at the beginning of the year. The values of the evaluations of relative importance at the beginning of the period being forecast are obtained by expert means.

C. The real path of the movement toward a rational structure of consumption depends on the resources, which are being used for meeting the need for the corresponding goods, and on the effective demand of the population. These indicators are introduced in the model as limitations.

Experimental calculations according to the model of the prospects of the development of the consumption of the commodity portion of the consumer complexes were made for a complex, in particular, of cultural and personal goods, which consists of 12 technically complex consumer items, including: 1) radios and radio-phonographs, 2) televisions, 3) tape recorders, 4) movie cameras, 5) cameras, 6) refrigerators, 7) washing machines, 8) electric vacuum cleaners, 9) sewing machines, 10) motor-cycles and motor scooters, 11) bicycles and mopeds, 12) motor vehicles.

The following information was used for the calculations of the possible paths of development of the supply with the indicated durable goods:

the standards of the rational supply with the goods belonging to the complex;

the service life of the goods;

the actual supply of the population with the goods being studied during the years of the base period (15 years) (in physical terms per 100 families);

the prediction of the volume of the retail commodity turnover of state and cooperative trade to 1990;

the prediction of the marketable stocks by goods (in physical and monetary terms);

the average retail prices for the goods during the years of the base period and for the future (to 1990);

the actual sale of goods through state and cooperative trade by years of the base period (in physical and monetary terms);

the size of the population and the number of families during the base period and for the future by years to 1990;

the evaluations of the relative importance, which were obtained during a expert survey conducted by the All-Union Scientific Research Institute for the Study of Consumer Demand and Marketing Conditions.

The proposed model is perfectly suitable for the analysis of the trends and the identification of the bottlenecks which prevent the harmonious development of consumption within a consumer complex. The confidence in this is based on the possibility of constructing of model using a computer, by varying extensively the values of the input parameters and the form of the functional relations between them. And if the essence and direction of the trends identified by the model and the localization of the bottlenecks in time are stable, the obtained results will be able to serve as the basis for the making of decisions which are aimed at the rationalization of consumption.

The Formal Description of the Model. Let us examine a consumer complex which consists of q goods. Let us assume that the system of goals of the consumer complex is described unambiguously by a set of goal standards-- $\vec{N} = \{N_1, \dots, N_i, \dots, N_q\}$, where N_i is the standard of commodity i in units per 100 families.

The dynamics of the consumption of the goods of the complex is reflected in the set of series of the actual supply $\vec{x}(t) = \{x_1(t), \dots, x_i(t), \dots, x_q(t)\}$, where $x_i(t)$ is the supply of commodity i at the beginning of year t , which is measured in units per 100 families.

Let us introduce in the model the vector of relative consumption

$$\vec{\xi}(t) = \{\xi_1(t), \dots, \xi_i(t), \dots, \xi_q(t)\},$$

where $\xi_i(t) = x_i(t)/N_i$ is the level of relative supply with commodity i , which was achieved at the beginning of year t . Let there also be given by means of the expert survey the evaluations of the relative importance of the goods of the complex at the beginning of year $t = K_{it}$, and $\sum_{i=1}^q K_{it} = 1$.

In conformity with premise B the paths of the increase of the need for the goods of the complex are described by the differential equations:

$$\xi_i'(t+\tau) = K_{it}[1 - \xi_i(t+\tau)], \quad i=1-q, \quad 0 \leq \tau \leq 1 \quad (1)$$

with the initial conditions

$$\xi_i(t+\tau)|_{\tau=0} = \xi_i(t), \quad i=1-q \quad (2)$$

Integrating the equation of i (1) with the initial condition (2), we will obtain

$$\xi_i^c(t + \tau) = 1 - [1 - \xi_i(t)] e^{-K_i \tau},$$

$$i = 1 - q, 0 \leq \tau \leq 1, \quad (3)$$

where ξ_i^c is the path of the increase of the need for commodity i of the complex.

Then without regard for the limitations the increase of the supply during the year would be

$$\Delta \xi_i^c(t + 1) = \xi_i^c(t + 1) - \xi_i(t) = (1 - e^{-K_i}) [1 - \xi_i(t)]. \quad (4)$$

In conformity with formula (4) the continuous change of the structure of consumption in the direction of the increase of the proportion of the goods which meet the less saturated needs, should occur. As a result the equalization of the levels of supply with the corresponding goods occurs with the approximation of the standardized indicators of consumption. However, the increase of supply, which is described by formula (4), may turn out to be impossible due to the limitedness of the marketable goods or the effective demand of the population.

Let us examine these limitations by turns.

Let $R_i(t)$ be the marketable stock of commodity i during year t .

The initial pool of commodity i at the beginning of year t is

$$\frac{x_i(t) Q_t}{100} \text{ (units),}$$

where Q_t is the number of families at the beginning of year t . Then the initial pool of commodity i at the beginning of year $(t+1)$ in any case will not exceed the initial pool at the beginning of year t , which has been increased by the amount of the marketable stock of year t and decreased by the number of items of the same commodity group i , which have gone out of use.

In this model the calculations of the pool and the supply of the population with the goods being study are made in accordance with the method, which has been adopted in the USSR Central Statistical Administration and in accordance with which in year t there are considered to be retired all the items whose service life t_i^* expires in year t , that is, the items sold in year $t - t_i^*$, therefore

$$\frac{x_i(t+1) Q_{t+1}}{100} = \frac{x_i(t) Q_t}{100} + R_i(t) - \Pi_i(t - t_i^*), \quad (5)$$

where $\Pi_i(t - t_i^*)$ is the quantity of commodity i which was sold in year $(t - t_i^*)$.

Consequently, the maximum relative supply at the beginning of year $(t+1)$, which is permitted by the limited marketable stock, is

$$\begin{aligned}\xi_i^\phi(t+1) &= \frac{x_i(t+1)}{N_i} = \frac{100}{N_i Q_{i+1}} \left[\frac{x_i(t) Q_i}{100} + R_i(t) - \Pi_i(t - t_i) \right] \\ &= \xi_i(t) \frac{Q_i}{Q_{i+1}} + \frac{100}{N_i Q_{i+1}} [R_i(t) - \Pi_i(t - t_i)].\end{aligned}\quad (6)$$

Hence the maximum possible increase of the supply of commodity i in the case of limited marketable stocks is

$$\begin{aligned}\Delta \xi_i^\phi(t+1) &= \xi_i^\phi(t+1) - \xi_i(t) = \\ &= \xi_i(t) \left(-1 + \frac{Q_i}{Q_{i+1}} \right) + \frac{100}{N_i Q_{i+1}} [R_i(t) - \Pi_i(t - t_i)].\end{aligned}\quad (7)$$

It is more difficult to take into account the influence of the effective demand of the population due to the lack of direct information on its amount and structure. We analyzed three means of the indirect evaluation of this influence.

In the practice of forecasting the unfavorable unbalance of demand and supply of recent years led to the use in the calculations of only that portion of the expenditures of the population, which is backed by the supply of goods. In the case of such an approach the effective demand of the population or, to put it better, its active portion can be identified with the commodity turnover.

Then in accordance with the data on the commodity turnover of the goods of the complex during the base period:

their proportion in the total commodity turnover is calculated;

the obtained proportions for each commodity of the complex are forecast for a year in advance;

the total amount of items of commodity i (in thousands of units), which the population has the assets to buy in year t , is determined in accordance with the planned volumes of the total commodity turnover and the average prices.

The necessary predictions are made by the means of regression analysis.

Unfortunately, the structure of the dynamic series of proportions has an extremely unstable nature which lacks a statistically meaningful trend, which leads to an unacceptably great uncertainty of the prediction. As a result the proportion of the expenditures on the complex increases unjustifiably.

In search of a solution we attempted at first to predict the proportion of the expenditures of the population on all the goods of the complex in the total commodity turnover. Then the proportions of the expenditures of the population on each commodity of the complex in the expenditures on the complex as a whole were found. The obtained predictions of the proportions were normalized to 1, and the total number of items of each commodity, which the population can purchase during the year being studied, was calculated in accordance with the balanced proportions.

The direct analysis of the dynamics of the proportion of the expenditures of the population, which is allocated for the purchase of goods of the complex, with respect to the expenditures on the complex as a whole shows that a decrease of the proportion of expenditures occurs for a number of goods. For example, in the past 5 years the proportion of the expenditures on the purchase of radios and radio-phonographs decreased from 6.2 to 5.3 percent, televisions--from 36.2 percent in 1970 to 16.9 percent in 1979, refrigerators--from 13.7 percent in 1972 to 9.4 percent in 1979. As a result the prediction of the expenditures of the population on the acquisition of many goods of the complex, which is based on the extrapolation of the identified trends, leads to an obviously distorted idea of reality. Therefore, the second approach was also deemed by us to be unsatisfactory.

The third approach consists in the setting of the value of the effective demand on the basis of the total of the commodity turnover of the past year for the given commodity, as well as with allowance made for the possible involvement of the savings of the population.

As is known, in conformity with the plan during the 11th Five-Year Plan the commodity turnover should increase by 22-25 percent, which means an annual increase of about 5 percent. Assuming conditionally that the commodity turnover of each commodity will increase in the same proportion, for the obtaining of the evaluation of the effective demand for this commodity the achieved level of the commodity turnover of commodity i should be increased annually by 5 percent. If we assume that the savings of the population should also be committed to the turnover, it is necessary to increase the percentage of addition h by approximately 10-15 percent more. Such an approach conforms more completely to the goals of our study of the possible situations in the case of the variation of the input parameters.

In the case of the third approach the total number of items of commodity i , which the population will be able to buy during the year $\text{tr}d_i(t)$, does not exceed the sum of the commodity turnover of this commodity during the preceding year, which has been increased by h percent and has been divided by the average price of the same commodity during the current year.

The natural objections to the quantitative inaccuracy of the third approach do not in the least exceed the limits of admissibility of the model as a whole. At the same time this approach, as will be evident from what follows, makes it possible to identify the qualitative trends in the development of the supply with goods of the complex, that is, to achieve the basic goal which was set when developing the model.

By replacing in formula (7) $R_i(t)$ with $\text{tr}d_i(t)$, we will obtain the maximum increase of the supply with commodity i , which is permitted by the limitations on the expenditures of the population

$$\Delta_i^D(t+1) = \sum_i (B) \cdot \left(-1 + \frac{Q_i}{Q_{i+1}} \right) - \frac{1}{\sum_i Q_{i+1}} (R_i(t) - \Pi_i(t+1)) \quad (8)$$

From estimates (2), (3) and (8) it follows that the actual increase of the supply satisfies the condition

$$\Delta_i^D(t+1) \leq \min \{ \Delta_i^C(t+1), \Delta_i^B(t+1), \Delta_i^D(t+1) \} \quad (9)$$

This expression signifies that under normal conditions the increase of the supply with commodity i does not exceed the minimum increase which is governed by the free development of consumption in accordance with the model, by the limitation of the marketable stocks and by the effective demand of the population.

It is natural to assume that if there is a need, there is money and there is the supply of goods, the sale of a commodity takes place. Formally this assumption means that the practical increase of the supply is simply equal to the minimum of the right side of the inequality (9). Therefore, the prediction of the supply with commodity i at the beginning of year $(t+1)$ is

$$\hat{z}_i(t+1) = z_i(t) + \Delta z_i(t+1). \quad (10)$$

As to the nature of the change of the urgency of the consumer goods being studied, which is expressed by the evaluations of relative importance, the following hypothesis is adopted for the second and subsequent years of the period being forecast: the evaluations of relative importance over a short interval of time (not more than a year) change according to the law

$$K_{i,t+1} = \beta_{i,t+1} K_{it} \left(\frac{1 - \hat{z}_i(t+1)}{1 - z_i(t)} \right), \quad (11)$$

where $\beta_{i,t+1}$ is a normalization factor which ensures the equality of the sum of the new evaluations of relative importance to 1. Let us recall that according to hypothesis B the values of the evaluations of relative importance were obtained by means of an expert survey.

The proposed model is a multistage dynamic model. The process of forecasting for the entire planning period consists in the systematic repetition of the procedure described above--the determination of the path of development of consumption for the first year of the period being forecast. At each stage the results of the completed cycle $\hat{z}_i(t+1)$, $K_{i,t+1}$, which are determined in accordance with formulas (10) and (11), serve as the input parameters for the new cycle and so on, until the end of the period being forecast is reached. The factors, which limit the movement toward a rational level of consumption--the development of the need, the marketable stocks or the effective demand of the population--are identified at each stage of the calculation.

Several versions of the possible paths of the development of supply were calculated for the complex of technically complicated goods. In the first version of the calculations the path of the increase of supply was calculated without regard for the limitations on the marketable stocks and the effective demand of the population. Here it turned out that a leading increase of the supply of goods with a lower level of consumption occurs and, thus, the equalization of the levels of achievement of the standardized indicators of supply is observed. At the beginning of the period being forecast the level of supply with movie cameras (≈ 0.31) and motor vehicles (≈ 0.33) was the lowest, the level of supply with sewing machine (≈ 0.8) and washing machines (≈ 0.84) was the highest. By the end of the period being forecast the indicator of the supply with all goods came to $\approx 0.81-0.89$ of the standardized level of supply, while as a whole a pronounced smoothing of the levels of supply with the goods of this group occurred.

For obtaining more realistic versions the corresponding limitations were introduced in the model. Thus, the introduction of limitations on the marketable stocks gives a substantially different picture. The shortage of marketable stocks causes a slowed increase of the supply with the corresponding goods as compared with the first version. Such a picture is observed for radios and radio-phonographs, motor vehicles and movie cameras. By the end of the period being forecast (1990) the supply with motor vehicles in this case will be ≈ 0.54 of the standardized level, movie cameras--0.37. After the introduction of limitations on the effective demand of the population the observed situation changes again.

The most interesting results were obtained when using a model which takes into account different values of the effective demand of the population. Thus, in the case of a 5-percent increase on the commodity turnover of the previous year a monotonic increase of the supply with cameras, refrigerators, electric vacuum cleaners, sewing machines, motor vehicles, tape recorders and movie cameras is observed. At the same time the supply with televisions, washing machines, radios and radio-phonographs in the case of such a limitation decreases monotonically.

Factors Checking the Increase of Supply (5-10 Percent)

(1) Товары	1981 г.	1982 г.	1983 г.	1984 г.	1985 г.	1986 г.	1987 г.	1988 г.	1989 г.	1990 г.
(2) Радиоприемники и радиолы	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф
(3) Телевизоры	Д	Д	Д	Д	Д	Д	Д	Д	Д	Д
(4) Магнитофоны	Д-П	Д-П	Д-П	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-П	Д-П	Д-П
(5) Кинокамеры	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф
(6) Фотоаппараты	Д	Д	Д-П	Д-П	Д-П	Д-П	Д-П	Д-П	Д-П	Д-П
(7) Холодильники	Д-П	Д-П	П	Д-П	Д-Ф	Д-Ф	Ф	Ф	Ф	Ф
(8) Стиральные машины	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф	Д-Ф
(9) Электропылесосы	Д-Ф	Д-Ф	Д-П	Д-Ф	Ф	Ф	Ф	Ф	Ф	Ф
(10) Швейные машины	Д	Д	Д-П	Д-П	Д-П	П	П	П	П	П
(11) Мотоциклы и мототроллеры	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф
(12) Велосипеды и мопеды	Д-П	П	П	П	П	П	П	П	П	П
(13) Автомобили	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф	Ф

Рез:

- | | |
|---------------------------------|------------------------------------|
| 1. Goods | 8. Washing machines |
| 2. Radios and radio-phonographs | 9. Electric vacuum cleaners |
| 3. Televisions | 10. Sewing machines |
| 4. Tape recorders | 11. Motorcycles and motor scooters |
| 5. Movie cameras | 12. Bicycles and mopeds |
| 6. Cameras | 13. Motor vehicles |
| 7. Refrigerators | |

Рез: Д--effective demand of the population, Ф--marketable stocks, П--needs of the population.

From the table of factors, which check the increase of supply, it is evident that the reason for the slow increase of the supply with a number of goods, particularly

motorcycles and motor scooters, motor vehicles and movie cameras is connected with the inadequacy of the marketable stocks. This inadequacy will only be aggravated, if we take into account the involvement of the monetary savings of the population (that is, given $h = 10-15$ percent). The change of the factors, which check the increase of the supply of goods of the complex, subject to the change of the amount of the monetary assets, which are intended by the population for the purchase of the corresponding goods, is shown in the table. Thus, in the case of the involvement of a portion of the savings of the population (given $h = 10$ percent) for the purchase of radios and radio-phonographs the supply with these goods increases slightly. In this case the marketable stocks are the factor which checks the further development of consumption. The further increase of the supply of the population with televisions is being checked by the effective demand of the population (given $h = 10$ percent), in the case of the involvement of a larger portion of the savings (given $h = 15$ percent) the marketable stocks will act as a checking factor.

The increase of the supply with bicycles, mopeds and sewing machines is being checked by the development of the very need for these goods. This is due in part to the already achieved level of supply with these goods, as well as to the assortmental structure of supply, which is unequal to the demand. It is obvious that with the involvement of the monetary savings of the population this trend will intensify even more.

The described version of the calculations according to the model envisaged the variation of the limitations on the effective demand of the population. The values of the evaluations of relative importance and the other input parameters (the average retail prices, the marketable stocks) are varied in the other versions of the calculations. The results, which were obtained while making multivariate calculations, can serve as a basis for the making of the corresponding decisions which are aimed at the stepping up of consumption in conformity with the aims.

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CONSUMPTION TRENDS AND POLICIES

NOVEL 'UNIVERMAG' CHAMPIONS CONSUMER

Letters to Editor About 'Univermag'

Moscow LITERATURNAYA GAZETA in Russian No 1, 5 Jan 83 p 4

[Letters to editor, under rubric "Readers' Opinion, Reviewer's Opinion":
"Knights"]

[Text] I. Shtemler's novel "Univermag" [Department Store] is probably the first literary work in recent years to raise a number of problems in such spheres as light industry and trade. Much has been said from various rostrums about the fact that there exists in these spheres, to put it mildly, disorder. But the discussion has always been on a general level, without any details. I. Shtemler in his novel has revealed certain shortcomings existing these spheres. . .

K. Pechatnikov, Leningrad

. . . In my opinion, neither the trade workers nor the state of affairs in trade are criticized at all. The world of trade -- or, rather, its negative aspects -- is not exposed at all, but is depicted as something unshakeable, something that has its own rules and laws.

I am far from thinking of reproaching the author of sympathizing with all those who abuse their position in trade, but I get the impression that this department store manager, Firtich, actually is adroit in doing his no exactly clean deeds, but the author attempts with all his powers to show that Firtich is a good person, but he simply finds himself under the effect of the "laws" that operate in that world, laws which no one is capable of changing.

It would be better if that novel had more truth and a more definite attitude on the part of the author to those people about whom he writes.

L. Molchanova, Moscow

"Good God, won't you ever leave! They keep on coming in here, right up until closing time," the salesgirl in the shoe section tosses out to the nearsighted young man with the portfolio, covering him "with a cold, disdainful glance of a

higher being examining some kind of small fry, the very appearance of which on earth was the consequence of absurd chance."

Every reader has been worthy of that glance, that burns with "unexpended malice," but isn't it a joy for him to recognize, with a slight aftertaste of a peculiar vengeance, his old acquaintance on the pages of I. Shtemler's novel "Univermag"? The scene in which the young man with the portfolio buys a pair of shoes is, to put it outright, not a masterpiece, and salesgirl Tat'yana has already been the hero of many short stories and feature articles, but she has many faces and is ubiquitous and always will be inspired by the reader's personal experience.

The reader, one must assume, will also be satisfied by the powers of observation which have a telling effect in the description of the crowd that, one hour before the department store opens, fills to capacity all the approaches to it -- the gypsy women in their colorful rags and boots, Uzbeks in their embroidered skullcaps and Chinese cloaks, unshaven Caucasian lads in broad caps, women in tightly knit Russian dresses -- a scene which everyone of us has seen at least once. And the conversations while standing in the lines -- conversations about speculators, because of whom "it's impossible for an honest workman to force his way up to the counter," about the prices, about shortages and the vagaries of supply -- conversations that we have all heard many times. And the cashier, up to whose ears "an entire fortune has been weighed," and the petty speculator Svetlana Bel'skaya, who serves her clientele right there in the institutions, are also familiar to us, and not just by hearsay.

Review of 'Univermag'

Moscow SOVETSKAYA ROSSIYA in Russian 12 Apr 83 p 2

[Article by Vladimir Bondarenko: "On the Other Side of the Counter: A Critic's Reflections on the Novel 'Univermag'"]

[Text] There is a kind of force in the precise defining titles, a kind of field of attraction of their own. Maybe a few people will be frightened away by the primordial localization of the concept, but the right kind of reader will definitely read it. A. Pletnev's "Shakhta" [The Mine], V. Korotich's "Neft'" [Petroleum], G. Gorbovskiy's "Voksal" [The Train Station], I. Grekova's "Kafedra" [University Department], . . . I think that in this kind of concretization one sees the effect of the currently universal love for documentaries, the love of fictional-documentary literature, the love of the truth of fact. A feedback from the reader starts operating. The writer cannot ignore how his nation lives, what that nation is interested in. But it is also possible to play up to fashion, and to make something look like a documentary. Not too long ago, the books by the American writer A. Haley spread like wildfire through the magazines and publishing houses.

A. Haley's recipe was seized upon, and the technology of his trade was happily assimilated. The conveyor belt began to produce a stream of works allegedly of a production nature, allegedly satirical, allegedly picaresque works of belletristics-Haleyanistics.

But every genre has its leaders. In Haleyistics this leader is now Il'ya Shtemler. He also observes the purity of the genre: if you want to write about taxi drivers, work as a taxi driver. If you want to write about salespeople, then get behind the counter. The writer changes his occupation. That is praiseworthy. But is it necessary to change one's psychology, one's outlook on the world, one's ethics and esthetics? That is what is dangerous about immersing oneself in another world. Whether working as a salesperson or as a taxi driver, the writer must retain his own ethics, which have been developed by Soviet literature, his own party view of the world, without changing it when he gets on the other side of the counter. Let us see how this rule is observed in Il'ya Shtemler's new novel, "Univermag," which was published in issues 8 through 10 of the magazine NOVYY MIR in 1982 and which immediately became fashionable.

Who doesn't want to see the other side of trade, who doesn't want to analyze the reasons for a shortage, or to see the big picture of the "aristocracy in the consumption sphere"? Some people hoped to see a social analysis of the new phenomena in our everyday life, a sharp criticism of the shortcomings that exist in trade.

There are shortcomings, as one expects in Haleyistics -- specific ones that are overcome by a strong, noble hero. The shortcomings have been mentioned faithfully, have been described with an essayist's meticulousness; the cashiers throughout the country can enrich their practice with the aid of the methods examined by the writer; the nature of the petty speculator Svetlana Bel'skaya is conveyed in the novel with enviable precision and clarity. In general, all the minor episodes are fortuitous, and all the lesser characters are accurate: the key-keeper Boldyrev; chief administrator Sazonov; the underling of restaurant director Kuznetsov, lawyer Valera. The novel has enough material for ten biting, acutely social essays. Food store manager Sysoy says, movingly, "First thing in the morning, the man from the sanitation department comes and sniffs everything. I wrap up a package for him and he leaves. Then the inspector from the trade organization. . . I wrap up a package for him and he leaves. Then the firemen. . . All day long, I've been wrapping up these presents." But the customers do not hasten to sympathize with Sysoy: "You're a swindler, pal. You've got a summer house, you've got a car, and all kinds of stuff is hanging on your wife. You've had it pretty rough, haven't you? And yet you haven't left trade."

But all this is only in passing, by the way, for the purpose of lighting up, against this kind of background, the chief heroes in the novel -- the director of the very large department store, Firtich; the chief accountant, the very honest and unbribeable Lisovskiy; their families, which are so noble that none of our intellectuals can even reach them.

The department store director attempts to remodel it, to reorganize it, to create a modern trade center, and by doing so he falls into the net of the swindler Kuznetsov. Firtich is afraid of being exposed, and, in addition, at that time there has been revealed an error made by the accountant when computing the plan, and an imaginary overfulfillment was reported. All Firtich's noble and ambitious plans are threatened with disruption. But then, in Haley's tradition, there is felt the influence of Eugene Sue and his "Parisian Secrets." Lisovskiy saves

the situation. He assumes all the errors, quits, and immediately dies. Truth triumphs, the world of trade continues to be defined not by the Kuznetsovs, but by the Firtiches and Lisovskiys. But those heroes are every noble, very positive in the novel. It is for good reason that critic Alla Latynina called them "the knights of the sales counter" and pointed out the basic conflict in the trade sphere, in the opinion of the author of the novel: "one sees here the conflict between the good and the better."

I will state honestly that there is something else in the novel that troubled me. The author has written about trade, where he has juxtaposed to the petty traders and nasty individuals truly efficient people who are crystal clean, who are uncompromising, who have high ethical standards and clear-cut principles. The author has the right to dream. He has produced a fictional-documentary novel in which the author, in a documentary manner, by the precise description of details, and by his keen powers of observation of the facts, uses his entourage in the novel to support his concept.

Let us assume that the author has ennobled his heroes, but why, then, as one reads the novel, does the reader feel the strain, waiting for those heroes to show their insolvency, waiting for them to be brought down from the pedestal?

As a former worker in trade, the author will say that this is the result of the general narrow-minded distrust of the entire sphere of services for the public. Is that really the only reason? Isn't it really that many readers, like myself, have formed an impression about Firtich and Lisovskiy as being persons who have slipped away even from the author himself, as dishonest schemers, only because of our own narrow-minded mossiness? But let's take a good look at the heroes.

"A person practical and farsighted, Firtich, however, accepted the terms of their game. He dressed well, he visited restaurants. Nor did he forget the saunas, when the people of his circle were gathering there. . . . It is best to swim with the current. And at the same time to catch one's fish in that river."

Their games -- evidently he means the swindler's games? And what does this mysterious reference to "his circle" mean? From the very beginning of the novel, the author tosses to us, whether we want it or not, the key to the riddle of Firtich. We all remember that "entire world" that people, prior to the revolution, were interested in, the world to which all the shopkeepers, waiters, barbers, and all other kinds of service personnel looked enviously. A closed elitist society, to which entry was barred to outsiders, but for whom, that is, for that prerevolutionary elite, all doors were open -- the doors of science, art, and medicine. The year 1917 put an end to that "elite." But now, in this novel about trade, we read about "people of his circle," who go to those very saunas which are unknown to the ordinary purchasers. Firtich was swimming with the current, but it is his own "elitist current."

Upon receiving the news about the false data that led to the fake bonus, he concealed that information, just as the crystal clean Lisovskiy concealed it. Firtich goes to chief administrator Sazonov, who has committed an offense at his celebration, and blackmailing him with the threat of firing him, or, even more, with the impossibility of ever getting a job anywhere else, lets him know that

it would be best for him to remain silent about the fake successes when talking to his sister -- the accountant who had discovered the false figure. Sazonov wiped himself dry and went back to work. Maybe he could have thrown him out of his apartment on completely legal justification or at least suggest that he leave, but he wouldn't dare. At any rate, Sazonov is a person not "of his circle," and one can humiliate him. One sees the stubborn tug of the thread of stratification of the "masters of life" in other simple customers.

This phenomenon was revealed in the play by the young playwright V. Arro, "Look Who's Come," but in that play the author angrily censures those newly arrived bosses, while here Firtich is taken under protection. Little by little, the author leads his readers to the idea that trade is completely impossible without deals. Firtich's former chief was given seven years for his deeds, and Firtich "... felt sorry for him: he had had rare capabilities. Customers would come to his store from other cities and they would leave in a good mood." And he also valued Kuznetsov, whom he practically dragged along after him. Kuznetsov, it turns out, was truly a fanatic about his job. And as for the fact that he was able to pay 20,000 ruble bribes without any particular loss for himself, or that he almost sent his coworkers to prison for the training he gave them -- those are only peculiarities of the profession. Nothing more.

And yet this same Kuznetsov, for the best people in the city, opened up a bar with half-dressed girls and other lively delicacies. "The girls have got bad colds, but they're really hung in there. They haven't called in on sick leave, there's been no absenteeism. The bar will be an endless fountain of gold. They realize that." And that is how things have been set up in our sphere of service. Isn't the result a closed circle? Don't they all engage actually in providing services only to themselves, and only infrequently paying attention to the "others," to the masses, so to speak? Once again the author betrays not only Firtich, but also another of the noble knights of trade, Manuylov. And he also betrays himself, although perhaps he does not realize that, since the mental attitude of the "elite" has already become habitual for the author, unfortunately.

Worship of the shortage changes over to worship of its manufacturer, and of its seller. But, if, for example, the article in short supply is sheet metal, no one worships the foreman of a steel-casting shop. So that means that it's worship of shortages in personal consumption? Worship of consumption? And, by creating this very "elite," bowing down to it, and recognizing it, we thus acknowledge a consumer-type, narrowminded consciousness, and we lower the esthetic and ethic taste of people.

The life of the "elite" is what the writer Il'ya Shtemler attempts to show us in the novel "Univermag." Some, in his opinion, have found their way into that "elite" undeservedly. They are the worst kind of crooks, but what can you do about it -- every family has a black sheep. In "Parisian Secrets" also, the scoundrel-baron also found his way to the midst of the elite. Moreover, Jean Maret was splendid in the role of the count. And Firtich is also splendid. What a risky game he plays in the name of trade! But the ground is undermined under Kuznetsov, and then, on the basis of a petty detail -- the matter is not criminally chargeable -- Firtich could also be effaced. The hearing is conducted by Lisovskiy -- yet another crystal clean personality in the novel, the department store's chief accountant. Kuznetsov brings him 10,000, and promises to give

him twice as much, but Lisovskiy doesn't give in. What kind of crime is this, if 20,000 is not pitiful? But Kuznetsov hinted to Firtich, and the mover of trade decides to have a little talk with his subordinate, and to ask for only a guarantee from Kuznetsov. The elite of crooks -- you can't say more. It's possible not to be a thief oneself, but simply to feel completely at home in this circle, and to live off the fat of the land. When everything is accessible for you, there is no reason to steal, but only to use the services of thieves. And what is in the heart of that ideal hero himself, Lisovskiy? All that "ambivalence" that is so fashionable nowadays, all those "good vibes," when it is not clear when is good and what is evil. He explains, "But there are situations when it's impossible to resolve anything unambiguously. A person may seem to be a scoundrel. He may seem that way to everyone. . . , but. . . ." This is how Lisovskiy fights for his chief. "If he only has enough willpower to get to the goal. . . ."

And so it turns out that there's nothing new in the "vibes." The aim justifies the means, that's the entire philosophy. If the hero gets to his goal, no kind of Kuznetsovs are frightful. If he doesn't get to his goal, maybe, by chance, he and Kuznetsov will both be put in prison at the same time. At least he helped to conceal the serious economic crime. And proceeding from that philosophy, our refined booklover acts properly: at the very first talk with Firtich he rejects the expert's advice -- 20,000 is not enough. According to the novel, of course, this makes him an even greater hero, but in my opinion, it makes him a person just like anyone else, an ordinary criminal, no matter what motives he gives for justifying his "nobility." By nobly robbing the "ordinary people" and the state, this "elite" of Firtich's crowd attempts to dictate to society both its ethics and its understanding of the world.

A strong person, self-confident, a person who conducts negotiations with foreign companies and who has compelled not only his subordinates, but also his bosses, and his competitors, to listen to him, Firtich, the hero of the "Olimpa" department store, naturally has been victorious over Kuznetsov at the end of the novel. And Baramzin, the administration chief, forgives him all his sins. The department store will be expanded. Lisovskiy has retired and has immediately died, nobly taking Kuznetsov's secret to the grave. "Trade" will flourish. Everything is beautiful, just as it is in all of A. Haley's novels. But what about the elite? What about "his circle," that can do so much? Life will present new Sazonovs, who can and must be debased, and new Kuznetsovs, with whom one can and must come to an understanding.

Do we need this kind of an "elite"? A consumption elite?

Did the author of the novel think about that?

PERSONAL INCOME AND SAVINGS

ESTIMATING REPUBLIC PERSONAL INCOME DIFFERENCES

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[Article by V. D. Zlatin: "The Principles of Estimating Differences in Population Income Levels by Union Republics"]

[Text] The article contains a study of income differentiation factors and discloses the methods for estimating inter-republic differences in average per capita income levels. An evaluation of the influence of the individual factors which form the inter-republic differentiation of population incomes makes it possible to map out the basic ways of eliminating insufficiently valid differences in income levels by union republics and improving the planning of population income over the territory of the country.

One of the most important problems of social development and of improving the standard of living of the people is its equalization by the regions of the country. The necessity for a territorial leveling out of social differences is emphasized in the Accounting Report of the CPSU Central Committee to the 26th Party Congress.

The study of regional differences in the population's standard of living, the investigation of the socio-economic preconditions for the formation of these differences, and the establishment of the statistical methods for measuring them is an important direction of analytical research in the field of social development and improving the people's standard of living. In this connection, an analysis of the indicators of an improvement of public well-being which is connected with an evaluation of the basic factors in their formation by union republics is important.

A realization of the measures stipulated by the 12 July 1979 Decree of the CPSU Central Committee and USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Improving the Quality of Work," will foster a further improvement of the planning of public well-being by the union republics. This decree makes it necessary to develop within the state economic and social development plans (on all levels of management, including the union republics) summary sections for the entire complex of measures in the field of social development.

Uneven levels of production development, natural and climatic peculiarities, and differences in the demographic and socio-economic structure of populations serve, in particular, as the objective conditions for the existence of standard of living differences in the individual union republics. In solving the general problem of the equalization of regional standards of living, it should be kept in mind that the achievements of an equal income (and consumption) level does not ensure an equal level of needs satisfaction in the country's republics.

A system of measures aimed at bringing population income levels close to one another occupies an important place in solving the problems of eliminating essential standard of living differences in the union republics.

The basic tasks in comparing population income indicators by union republics are the following:

- the establishment of the actual differences in population income levels by union republics;

- an evaluation of the factors which determine an objective regional differentiation, and of factors which reflect invalid inter-republic differences in income levels;

- the establishment of the directions for improving income level correlations in the country's republics.

In comparing population income indicators it is necessary to proceed from the premise regarding the existence of two groups of income differentiation factors.

One group of factors, whose action is the result of objective special characteristics of the conditions of life in the country's individual republics, determines the necessary and scientifically substantiated differences in the level and structure of the population incomes of the republics: the influence of these factors has a permanent and planned character. The action of the other group of factors is frequently insufficiently valid; an evaluation of these factors makes it possible to disclose certain disproportions in the economic development of the union republics. Direct comparisons of population incomes record only quantitative differences, without revealing the nature of the economic development process of the union republics. For this reason, the problems of the measurement and analysis of population income indicators under the conditions of the regional differentiation which has taken form presupposes a factor analysis of the most important indicators which form the aggregate population incomes of the union republics.

The disclosure of the differences which have developed in population income levels and an analysis of the factors which cause these differences serve as the basis for the development of concrete union republic population income planning indicators. The results of this analysis make it possible to substantiate the most important ways and methods of a planned gradual elimination of income level differences over the territory of the country. A thorough substantiation of

population income planning indicators by the union republics ensures the accomplishment of the task of their gradual equalization. Thus, the most important task which is accomplished through the development of basic population income planning indicators for the country's republics consists in an evaluation of the factors in the differentiation of total income and of its most important elements. In essence, this means that the character of income differentiation is a central point in planning social development and standard of living indicators in the field of population income in the country's republics.

The unevenness of the distribution of income through the union republics is to a large extent the result of differences in the production structures and the population's social structures of the republics. The branch structure of the economy plays a large role in determining differences in the pay levels of workers and, consequently, in the total population income of the country's republics. The role of population social structure in the formation of income levels is determined by the existing differentiation of incomes in the basic social groups--the incomes of workers and employees and of kolkhoz workers are unlike and are not homogeneous. In the present article the task of disclosing regional differences in population income's levels as a whole is examined. For this reason, the task of analyzing the inter-republic differentiation of population incomes is realized outside of the sphere of the influence of social composition on the population income indicators of the union republics: the study of the process of the uneven distribution of incomes was conducted in relation to the population as a whole, considered as a homogeneous totality.

The inter-republic differences in population income levels are determined, first, by a corresponding differentiation of individual types of incomes, secondly, by the influence of factors connected with the lack of homogeneity in the size and composition of families over the territory of the country, and thirdly, by the special characteristics of the operation of rayon retail price systems. An examination of the overall influence of these factors makes it possible to reliably evaluate the existing differentiation in the population income levels in the union republics.

Payment for labor has a leading place in the analytic studies connected with evaluating the influence of the differentiation of individual types of incomes on the formation of differences in total income level. Although it is an objective economic law, the law of distribution according to labor is realized quantitatively in different ways in the individual republics, which is a result of specific differences in the character of labor. The discovery and elimination of the influence on payment for labor levels of the factors which form this influence makes it possible to evaluate the correspondence between the developed differentiation of population incomes in the union republics (with regard to payment for the labor or workers) to the scientific criterion of the law of distribution according to the quantity and quality of labor: for equal labor--equal pay.

In examining the union republic social consumption funds it is necessary to have their specific nature in mind as a form of the distribution and use of

national incomes which determines the greater heterogeneity of its composition and distribution methods compared to the wage fund. The basic direction of the development work connected with studying and planning the union republic social consumption funds amounts chiefly to a substantiation of the levels and differentiation of the population incomes from this source.

The demographic and socio-economic structures of the population exercise an essential influence on the formation of the level and differentiation of the union republic average per capita incomes. The different republics are qualitatively heterogeneous in relation to demographic and socio-economic structures. This means that the direction and the measure of influence of these factors on the formation of social development and standard of living indicators in the individual union republics are very different from one another. It is from this point of view that it is necessary to examine the role of family size and composition in the formation of the level and differentiation of the average per capita incomes of the country's individual republics.

A qualitative and quantitative analysis of this group of factors and a socio-economic substantiation of family composition serve as the objective basis for the scientific planning of the most important population income indicators over the territory of the country.

Differences in state retail price levels exercise a certain influence on the formation of union republic population incomes. The differentiation of state trade prices is the result chiefly of different production conditions in the individual republics which are determined above all by natural factors.

One of the important tasks in the analysis and planning of union republic population incomes consists in a validation of price level differences for goods and taxes for services as a factor in the formation of the inter-republic differentiation of population incomes.

The wages of workers and employees is a highly important indicator which characterizes population income level. For this reason, studies in the field of the regional regulation of payment for labor are connected above all with studying the indicators of their average wages.

The basic content of the law of distribution according to labor--a necessary proportionality between a worker's share in the national consumption fund and his labor expenditure--completely retains its essence also in application to a study of the regional characteristics of the formation of workers' and employees' wages.

Wages are planned and regulated by the state in keeping with the concrete tasks which are being accomplished in the process of the country's economic development. The regulation of wages is effected throughout the entire economy and in individual branches; with the help of wage regulation specific regional differences are established.

The basic task of comparisons of the union republic wage levels consists in making an evaluation of the influence of the individual factors which determine the inter-republic differences in the quantitative wage indicators, since comparisons of republic average wage indicators do not reveal the reasons for their differentiation. An analysis of union republic wage differentiations presupposes, in particular, the discovery of insufficiently valid (removable) differences. In order to do this, first of all, the aggregate influence of objective factors on the average wage indicators is determined, and secondly, their influence on the formation of the payment of labor indicators for workers and employees is eliminated. This kind of procedure makes it possible, in the final analysis, to disclose the differences which do not correspond to an objective evaluation of inter-republic wage differentiations. An analysis of insufficiently validated inter-republic differences in the average wage levels for workers and employees makes it possible to map out the basic ways to eliminate them and, consequently, to introduce the appropriate correctives into the planning of wage indicators for the country's republics.

The basic differences in republic average wage levels are determined by two groups of factors. The first group includes differences in the structure of the branches of the economy. The second group is comprised of factors which are reflected in the establishment of regional wage coefficients (differences in commodity prices and service fees; qualitative and quantitative differences in the consumption of material goods and services).

The branch structure of the economy and a consideration of regional manpower reproduction characteristics are the decisive factors in inter-republic wage differentiation. Nevertheless, even after the elimination of their influence there continues to be a relatively high unevenness in the average wages of workers and employees in the union republics.

The results of a study of the union republic wage differentiations make it possible to give a quantitative evaluation of the influence of the most important factors which determine inter-republic differences in average wage levels. This evaluation, "cleansed" of the influence of unsubstantiated differences, shows that inter-republic differences in the payment of the labor of workers and employees are being substantially reduced. This means that the relatively large fluctuations in the actual wage indicators are substantially the result of the influence of factors caused by qualitatively substantiated differences in the formation of the wages of workers and employees in the union republics. Hence, the importance of the problem of eliminating the inter-republic differences in the average wage levels which do not correspond to the objective factors of their formation.

As a result of a correction of the union republic worker and employee actual wage indicators in order to establish a correspondence to the objective characteristics of the factors being studied, the basic directions of eliminating the unjustified inter-republic wage distortions in payment for labor can be mapped out. Thus, the basic goal of an analysis of the factors which determine the inter-republic differentiation of average wages comes, in the final analysis, to a determination of the ways and methods of determining more objective differences

in the pay levels of workers; that is, the discovery of invalid (removable) differentials which are not based on the objective premises for the formation of average wages, and the development of proposals on improving the planning of wages in the union republics.

The necessary conditions for a further improvement of the inter-regional (inter-republic) regulation of wages are provided by the realization of the decisions of the 26th CPSU Congress which mapped out concrete ways for improving the regional regulation of wages.

A further ordering of regional wage regulation and the solution of other very important socio-economic problems in the field of wages comprise the economic basis for a scientifically substantiated territorial wage differentiation for workers and employees.

The results of an evaluation of inter-republic differences in average worker and employee wage levels which are the result of objective factors of regional differentiation can be used in analyzing and planning territorial differences in population income levels. In other words, they make it possible to reply to the question regarding the degree to which incomes differentiation is connected with the action of both objective factors and with still existing invalid territorial standard of living differences. Thus, an analysis of the inter-republican differentiation of wages makes it possible to simultaneously map out and evaluate the basic directions for increasing population income with regard to the necessity for eliminating invalid differences in its levels; all of the measures in the field of improving inter-republic wage regulation will to a decisive extent also promote an improvement of union republic population incomes differentiation.

The distribution according to labor among kolkhoz workers of a part of the income from the public farming of the kolkhozes is the most important factor in the formation of the kolkhoz workers' income and exercises an important influence on inter-republic differentiation of population income levels as a whole. At the same time, it should be observed that the wages of kolkhoz workers occupy a smaller place in the overall family income of kolkhoz workers than do the corresponding wage indicators in the overall income of workers and employees. This is explained by the substantial role of income from private subsidiary farming in the formation of kolkhoz families' total incomes. In addition, the proportion of the income from private subsidiary farming in the overall income of kolkhoz workers is significant even in republics with a high level of labor productivity in kolkhoz public farming.

Thus, the basis of the formation of total income consists of income from public production in the form of workers' and employees' wages and the payment for the labor of kolkhoz workers. This explains why regional differences in wage levels and kolkhoz worker payment levels act as a decisive factor characterizing the differentiation in the union republic total per capita income levels.

Meanwhile, while distribution according to labor is a main principle, it does not exhaust all of the forms of the distribution of material goods and services.

In socialist society, there exists their distribution form through the social consumption funds which is constantly developing.

The social consumption funds are heterogeneous in their composition. One part of them represents a source for individual monetary payments to the population (chiefly, the non-working population) on the basis of another part free population service institutions and organizations are maintained.

An analysis of inter-republic differentiation in the field of the social consumption funds amounts above all to an evaluation of the income (consumption) level from this source, and the factors which characterize territorial differences.

Differences in the amounts of average per capita income from the social consumption funds are also explained by the specific natural and climatic conditions of each republic. To a certain extent, the inter-republic differentiation in social consumption funds which has taken form can be explained also by certain definite shortcomings in the regional planning of public well-being.

An analysis of the level and differentiation of the income from the social consumption funds (per capita) in the republics plus a characterization of inter-republic differences in total average per capita income amounts mainly to an evaluation of the role of this important source of income in the formulation of indicators which reflect the total amount of the population incomes in the country's republics. The general direction of the distribution of this type of income corresponds in many ways to the character of the inter-republic differentiation of total population income. This is explained by the fact that the social consumption funds, as a component part of total income, have a lot to do with forming the total income level and its differentiation. But this conclusion covers only the most general character of the evaluation of the inter-republic differentiation of these indicators. A more detailed examination of the quantitative differences in the level of the population's total income and the differentiation of the income from the social consumption funds shows definite differences between them. The fluctuation of the values of the average per capita level of the social consumption funds in the union republics is in many cases more serious than of the average per capita total income level indicators.

In comparing the social consumption funds and total per capita income in the union republics it is necessary to take account of the influence of the factors which determine the differences in these indicators.

This kind of comparison can be based on a study of the structure of the social consumption funds. From the economic point of view, the social consumption funds are distributed among individual monetary payments to the population (chiefly, the non-working population) in the form of pensions, benefits, stipends, and free services. These parts are not the same from the point of view of their influence on differences in the differentiation of wages and the differentiation of the social consumption funds in the union republics. There is a close connection between the wage levels in the various branches of the economy (average,

minimum/ and the amount of pensions, temporary disability benefits, and other payments from the social consumption funds.

At the same time, the individual monetary payments to the population, while, on the one hand, they are basically derivative from wage levels, are characterized by smaller differences than wages and for this reason should, probably, weaken the differentiation of incomes from the social consumption funds compared to wages.

The differentiation in stipend amounts is practically unconnected with differences in wages, is of no material importance, and, therefore, could also foster a relative equalization of the social consumption funds in the republics.

This direction of the influence of these elements of the social consumption funds is indisputably applicable to an evaluation of the process of the formation of the structure of the population's income which represents a homogeneous totality (for example, a study of the differentiation in population income in the country as a whole). But an evaluation of the differences in the differentiation of income from the social consumption funds and from wages in the republics shows that it is possible to have a reverse influence from the amount of individual monetary payments on differences in the differentiation of these indicators in the Union republics. The gaps in the levels of payments from the social consumption funds in the union republics turn out in many cases to be greater than the corresponding characteristics of wages.

Within the other part of the social consumption funds--free services to the public--account is taken of the wage fund of the workers of the non-production sphere whose services are provided free. This indicator, whose equivalent enters into the total amount of the wage fund, also exercises a disproportionate influence on the differences in the differentiation of the social consumption funds and of wages. This influence is determined by how different the correlations are between the average wages of non-production sphere workers (with respect to free services for the public) and average wages in the economy as a whole. An analysis shows that in the country as a whole the differentiation in the wages of workers and employees engaged in education and health care is, as a rule, less than the differentiation in the wages of the workers of the other branches of the economy. An examination of the differences in the differentiation of the wages of education and health care workers, on the one hand, and the wages of the workers and employees of the remaining branches of the economy, on the other, makes it possible to draw conclusions regarding the special characteristics of the economies of the individual union republics from the point of view of the development of the non-production sphere. A comparison of the republics with regard to the character of the differences in the differentiation of these indicators shows a greater fluctuation in the wage indicators of education and health care workers than of other branches of the economy. This circumstance to a certain extent also explains the overall picture of inter-republic differences in the differentiation of the social consumption funds and of average wages in the economy as a whole which in many cases is characterized by a relatively greater differentiation in the social consumption funds. Along with

a non-commodity part (conventionally estimated by the amount of the wages of workers in the corresponding branches) the free services for the public also includes the population's material consumption in the sphere of free services.

The amount of differentiation in this indicator in the country as a whole is negligible, and lower than the corresponding indicators of wage differentiation. This circumstance defines the roles of this form of the social consumption funds as a factor which relatively weakens the differentiation of worker and employee wages in the process of the formation of the population's total income. However, a study of the population's material consumption indicators in the sphere of free services in the union republics makes it possible to observe an essential unevenness in the disposition of this part of the non-production sphere over the territory of the country; for this reason, there are substantial fluctuations in the possibilities for satisfying the needs of the populations of the various republics. In this connection, the inter-republic differentiation of this indicator proves to be substantial and can cause a relatively greater differentiation in the social consumption funds as a whole compared to the differences in the wage levels in the union republics.

Thus, the differences in the differentiation of the social consumption funds and of wages in the republics and in the country as a whole are explained by an important qualitative heterogeneity in the economies of the various union republics. This is expressed in substantial differences in the economic branch structures of the republics; in the method of population settlement; and in the development of the non-production sphere (above all, with regard to free services for the public). The wages of workers and employees and payments from the social consumption funds, as was noted, comprise the basis for the formation of the total income of the populations of the union republics. Consequently, it is the inter-republic differentiation of these indicators (we are speaking about the resultative-mutual influence of these factors in the process of the formation of the amount of total income) which basically forms the corresponding differences in the level of the population's total income.

An analysis of the formation of average per capita income shows that the role of the demographic and socio-economic population structures in this process, as has already been noted, is very different in the different republics.

A study of the differentiation of average per capita population income in the country as a whole shows that the higher level of total income, wages, and other types of income corresponds to a relatively smaller amount of work load per worker (that is, the correlationship of non-working and working members of society) and, on the contrary, a higher work load per worker corresponds to a lower level of income. This means that the character of the distribution of the relationships between non-working and working members of society in the country as a whole fosters a relative increase in the differentiation of total income compared to the differences in wages and the social consumption funds. A consideration of this circumstance, and also of the characteristics of the influence of the work load indicator on the inter-republic differentiation of population income is a precondition for a corresponding analysis of the population structure indicator.

In order to thoroughly substantiate the union republic work load indicators from the point of view of their influence on the overall differentiation of population income it is necessary to examine the composition of the non-working. The population outside the able-bodied age is heterogeneous from the point of view of its relationship to the various types of income. The distribution of the number of children and adolescents in the country's republics has the most important influence on the formation of the differentiation of total income when the demographic and socio-economic population structures are evaluated. This population category is practically not a receiver of individual income, and, for this reason, a relatively higher proportion of children and adolescents influences a decrease in total per capita income and, correspondingly, has an effect on inter-republic differences in income levels.

The important influence of population structure on the formation of the level and, consequently, the differentiation of average per capita income in the republics makes necessary a factor analysis of the process of the formation of total per capita income, having in mind the separation of the economic and demographic factors which characterize the formation of population income in the republics. This is especially important in validating policy in the field of incomes, and in evaluating concrete measures to improve the population's standard of living. Given the inert nature of demographic processes, this approach will make it possible to thoroughly evaluate the results of the formation of various socio-economic measures to improve public well-being.

The real content of population income and scientifically valid comparisons of income in the union republics require a study of the inter-republic differences in price levels for the most important goods. On the basis of data on the zonal differentiation of state retail prices, the corresponding territorial indexes for goods in the republics can be determined. The task of analyzing population income in the republics in relation to the influence of territorial price indexes on their real content amounts, first, to a disclosure and evaluation of this factor, and, secondly, to adducing the union republic population income indicators to single prices; the latter is achieved by eliminating the influence of territorial price indexes on the real income of the population in the various union republics.

Territorial price and fee indexes for goods and services have to be determined for the entire products list of the material goods and pay services consumed by the union republic populations. However, the territorial indexes of the state retail prices for goods may be used in the first approximation for a recalculation of the population's monetary income.

When republic population incomes are repaired the elimination of the influence of territorial price differences is carried out in analyzing the regional wage coefficients for workers and employees. However, the territorial price differences which are reflected with their help have to do not with the entire range of goods which are consumed in a republic, but only with that part which is equivalent to the wages of workers and employees. In connection with this, a computation of inter-regional price differentiation presupposes the performance

of a number of additional calculations. Their essence amounts to the following. In view of the fact that in a calculation of the rayon wage coefficients the influence of the territorial price differentiation is calculated in the part which corresponds to the share of wages in the monetary income of the republics' populations, an additional calculation of the influence of zonal price differentiation on the real content of income is performed. As a result of these transformations, the influence of prices on the differentiation of union republic population incomes which has not been reflected in the rayon coefficient is determined.

An analysis of the inter-republic differences in price levels which have to be additionally calculated when population incomes are compared shows that they are inessential and practically have no influence on a quantitative characterization of the differentiation of republic incomes. This is explained, first, by the negligible differences in the overall price level (including the differences which have been calculated in the rayon wage coefficient) in the republic; secondly, by the relatively high share of other (excluding wages) types of income in the populations' monetary income which determine the additional amount of territorial differences in price levels for goods in the republics. All of this leads to the fact that the corresponding transformations for the purpose of eliminating regional differences in price levels practically exercise no significant influence. However, all of the methodological constructions which are used in analyzing and planning population income indicators with regard to their real content in the union republics have to proceed from the premise that a full calculation of territorial price indexes is necessary.

A study of inter-republic differences in the level of total income and of its basic elements, and a determination of the ways and methods of equalizing incomes is a pivotal aspect of the solution of the entire problem of levelling off the standard of living and providing an equal degree for the satisfaction of the various needs of the union republic populations.

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